

2020 Global Citizenship & Sustainability Report

RALPH LAUREN



A Message

From Our Chairman & Our CEO

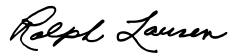
DEAR STAKEHOLDERS,

The global COVID-19 pandemic and acceleration of the movement to end racial injustice in America and around the world have powerfully highlighted business' interconnectivity and responsibility to its teams, communities, consumers, partners and investors. At Ralph Lauren, we are challenging ourselves to re-examine how we deliver on our Purpose - *to inspire the dream of a better life through authenticity and timeless style* - in a way that continues to create value for all of these stakeholders.

Within this context, and as we mark one year since the launch of our Design the Change strategy, we recognize the importance of staying true to the values that define us, while embracing the opportunity to listen, to engage and to evolve.

Our mission is to create a positive impact on society and a more sustainable future. We made some notable progress this year - from achieving gender parity in our leadership positions, to setting science-based targets to reduce emissions across the Company and value chain by 30 percent by 2030. However, in this profound inflection point in human history, our mission takes on new meaning, and we recognize that there is greater, deeper work ahead.

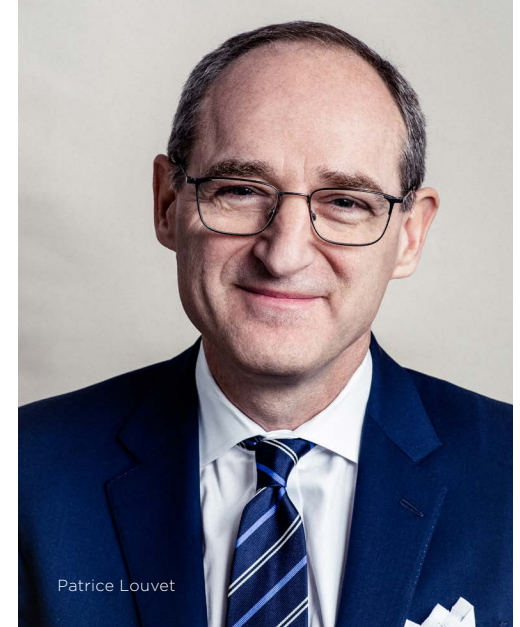
As we continue our journey, we will take from this time both lessons and inspiration and weave them into the spirit of optimism, togetherness and caring that are at the heart of our beliefs — things that are beautiful, that last and that give us hope.



Ralph Lauren
Executive Chairman and Chief Creative Officer



Patrice Louvet
President and Chief Executive Officer



Introduction

Global Citizenship & Sustainability at Ralph Lauren

For more than 50 years, Ralph Lauren has inspired the dream of a better life through authenticity and timeless style, and we approach citizenship & sustainability with this in mind. This core purpose informs our every day at Ralph Lauren and extends across our entire business. It is inextricably linked to how we create a better future for our Company, the people we come into contact with and the world.

One year ago, we launched our renewed citizenship and sustainability strategy, Design the Change. Our strategy was built on the values and purpose that have defined our business for more than half a century, and it is based on our belief that, together with our industry, we can deliver the change required to create a positive impact in society and a more sustainable future.

When we set out on our journey to Design the Change, we set ambitious goals and dedicated ourselves to integrating our strategy into every part of our business with a clear focus on three pillars: Creating Timeless Style, Protecting the Environment and Championing Better Lives.

We are one year into our journey and while we, along with the world, face an unprecedented challenge and global crisis, we are optimistic about the future and are committed to doing what we can to create a better tomorrow.



“Our Company is built on not what we did yesterday or even today, but what we dream of for tomorrow.”

Ralph Lauren

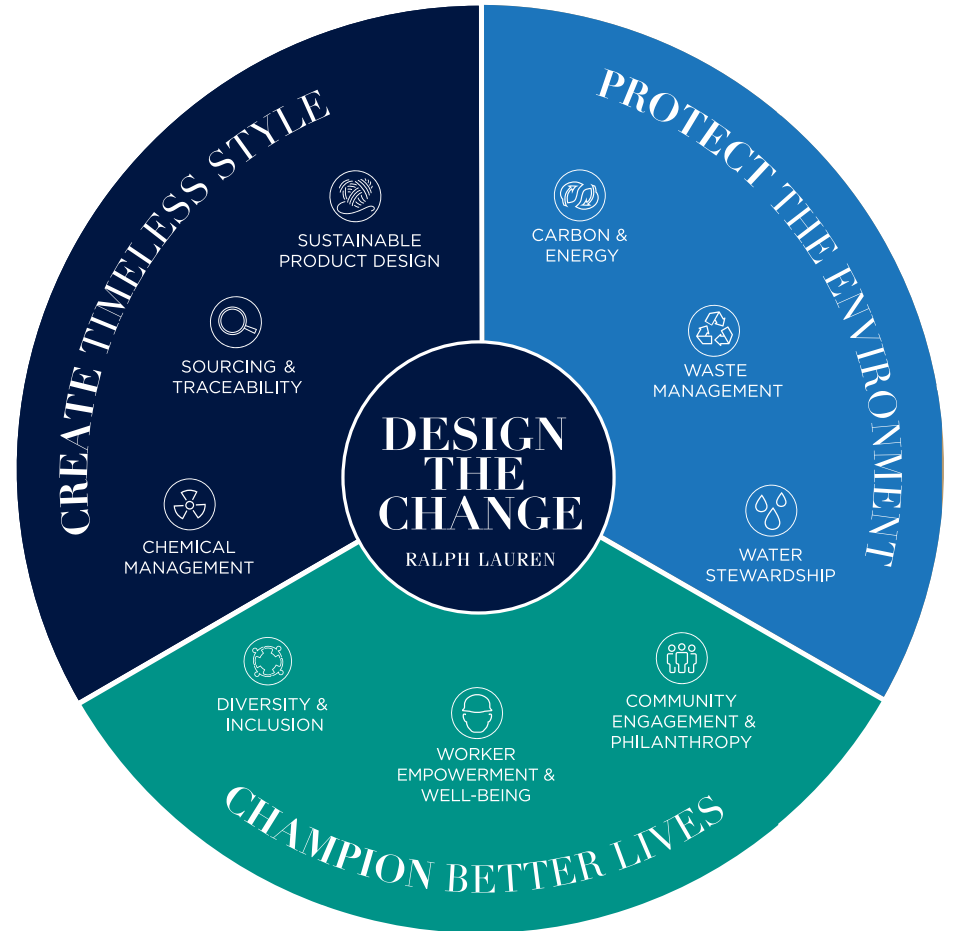
DESIGN THE CHANGE

Design the Change accelerates our work across Global Citizenship & Sustainability. Fundamentally, we believe that, together with our industry, we can deliver the change required to create a positive impact in society and a more sustainable future. In June 2020, Ralph Lauren signed onto the United Nations Global Compact, joining other companies across industries committed to implementing universal sustainability principles.



Through Design the Change we:

- **Create Timeless Style:** We believe one of our greatest commitments to sustainability is designing products worn and loved and made to last. We are committed to responsible sourcing and using state-of-the-art materials that allow us to create our products more sustainably, without compromising the quality we're known for.
- **Protect the Environment:** We're using partnerships and technology to reduce the environmental impact of our operations and supply chain across energy, emissions, water and waste. We believe collaboration is key to finding solutions, which is why we joined leading groups and support nonprofits dedicated to mitigating the environmental impacts of business.
- **Champion Better Lives:** We aim to positively affect the lives of those touched by our business, including people in our communities, workforce and supply chain.



OUR GLOBAL CITIZENSHIP & SUSTAINABILITY GOALS

Each Design the Change pillar is supported by a set of goals to drive our progress in citizenship and sustainability. Integration of Design the Change into our business is key to our success. Since the launch of our strategy, we have established internal cross-functional working groups to define

and implement our work across each pillar. Over the last 12 months, our teams focused on building a strong program and systematic foundations needed for us to achieve our goals. The progress toward our goals is highlighted in summary below and shared in more detail throughout the report.

CREATE TIMELESS STYLE

All of our design, production and merchant teams will receive annual training on sustainable, circular, inclusive and culturally aware design by 2020

Achieve 100 percent sustainably sourced key materials by 2025

Achieve 100 percent certified or traceable animal-derived materials—as covered in our animal welfare policy—by 2025

Eliminate the use of hazardous chemicals in our supply chain by 2025

PROTECT THE ENVIRONMENT

Set science-based greenhouse gas reduction targets for our operations and supply chain by 2020

NEW 30 percent reduction in absolute Scope 1, 2 and 3 greenhouse gas emissions by 2030 compared to a FY20 baseline

Set a 100 percent renewable energy goal for our owned and operated facilities by 2019

NEW Power our owned and operated offices, distribution centers and stores with 100 percent renewable electricity by 2025

Achieve at least a 20 percent reduction in total water use across our operations and value chain by 2025

Achieve zero waste to landfill across our distribution centers by 2023

Achieve 100 percent of our packaging material recyclable, reusable or sustainably sourced by 2025

CHAMPION BETTER LIVES

Increase volunteer hours 25 percent compared to a FY18 baseline by 2025

Achieve gender parity with equal representation in leadership positions at the VP level and above by 2023

Increase female representation in factory management by 25 percent by 2025

Make empowerment and life-skills programs available to 250,000 workers across our supply chain by 2030

Roll out our Wage Management Strategy to all of our strategic and key suppliers to address fair and timely compensation for factory workers by 2023

Global Citizenship & Sustainability Governance

Formal governance of Global Citizenship & Sustainability at Ralph Lauren sits with our Board of Directors (the Board). The Nominating, Governance, Citizenship & Sustainability Committee (the Nominating Committee) of the Board has oversight of our environmental, social, and governance (ESG) risks and opportunities.

The Nominating Committee receives quarterly updates, reviews initiatives, goals and policies and makes recommendations to the Board on ESG matters. Each quarterly update to the Nominating Committee also includes a deep dive on an ESG topic, allowing the members to bring their expertise to the subject at hand. The Finance Committee of the Board and the Nominating Committee advise on the incorporation of goals into our corporate strategy and engagement on those business initiatives that influence corporate citizenship and sustainability. The Audit Committee of the Board reviews ESG risks as part of its overall Enterprise Risk Management review.

The full Board receives a report on citizenship and sustainability progress at least once annually and reviews the Company's annual Global Citizenship & Sustainability Report.

To further drive Company engagement, our Global Citizenship & Sustainability Senior Steering Committee meets monthly to prioritize and resource our approach in this area. The steering committee—composed of leaders from across the Company—are responsible for defining, tracking and championing this work with the teams. It is chaired by our Chief Sustainability Officer, who also oversees our sustainability program.

Materiality and Stakeholder Engagement

In FY19, we conducted a materiality assessment to help identify and prioritize the sustainability issues, risks and opportunities that matter the most to our business and stakeholders. The assessment was conducted by a third party and included extensive engagement with internal and external stakeholders including employees, selected licensees, suppliers, partners, NGOs and consumers.

Based on this assessment, we set goals for each of our priority material issues as well as selected issues in other categories. These goals are shared throughout the report.

PRIORITY MATERIAL ISSUES

- Chemical Use & Discharge
- Climate Change
- Diversity & Inclusion
- Employee & Worker Health, Safety & Well-Being
- Raw Material Sourcing & Traceability
- Sustainable Product Design & Packaging
- Waste Management
- Water Stewardship



Create Timeless Style

One of our greatest commitments to sustainability is creating products that are timeless and lasting. We are furthering that commitment by working toward more responsible sourcing of our materials and creating our products more sustainably, without compromising the quality we're known for.



Sustainable Product Design

We commit to designing more sustainable products and experiences by sourcing responsibly, manufacturing efficiently and investing in innovation to advance these efforts.



2020 GOAL

All of our design, production and merchant teams will receive annual training on sustainable, circular, inclusive and culturally aware design

We have embarked on a transformation in how we approach product sustainability, beginning with a fundamental rethink of our mindset. Everything that goes into making our products, from ideation to materials, is open to challenge and up for innovation. As part of our Design the Change strategy, we are educating employees on the foundations of sustainable design. In FY20, we began the development of workshop content, e-learning modules and other tools to provide structured learning for our teams as they create sustainable products in tune with Ralph Lauren's core attributes of timelessness, authenticity and quality.

We developed the training program in collaboration with external experts and educators, focusing on foundational, raw materials and job-specific aspects of sustainable product design. Learning opportunities will be offered across five formats to maximize participation:

- Instructor-led training
- Required independent e-learning
- Expert guest speakers
- Evergreen tools and resources
- Experiential learning

By the end of 2020, all of our design, production and merchant teams—totaling nearly 1,000 employees—will participate in the training. In FY21, we will expand the resource internally and continue to create new modules to remain up-to-date with relevant sustainability and citizenship issues and opportunities, as well as innovations, emerging standards and best practices.



Cultural Awareness

We strive to create and communicate with respect and we continue to educate our teams and celebrate the cultures and influences that inspire our brands.

Our designs are inspired by the world around us, including the landscapes, people and places we see each day. The breadth and reach of our brands across generations and cultures create a style that is authentic, timeless and truly personal. We take seriously our responsibility to use the inspiration that captivates our imagination in a way that is culturally aware and appropriate.

As part of our sustainable design goal, we committed to training all of our design, production and merchant teams on cultural awareness. This past year, we created a custom educational program for our teams that included in-person workshops as well as remote learning modules covering Native American cultural awareness among other topics and sources of inspiration. More than 200 team members have already participated, and moving forward, the program will be expanded across additional teams, require annual re-certification, and be included in new employee onboarding.

Beyond our educational program, our work in this area is driven by our Cultural Awareness Guidelines, which we update annually with new insights and reflections. In the last year, we formally established an internal council with team members that brings diverse perspectives and expertise to inform and advise on the guidelines, and ensures that cultural awareness is integrated from concept design through to marketing campaigns. Our guidelines are distributed and reviewed with all teams that have a role in creating our products and brand image, including our design, advertising and marketing departments.

Our purpose-led commitment to authenticity guides our desire to ensure that the sources of our inspirations are respected and strengthened when they are represented through our brand. Our advisors, who support our work in cultural awareness, are some of the most respected Native American organizations in the U.S.: the Smithsonian National Museum of the American Indian and the Johns Hopkins Center for American Indian Health.





Sourcing & Traceability

Our Supplier Engagement Strategy drives transparency and efficiency, while building partnerships to deliver mutual long-term positive impacts across our supply chain.

Engaging With Our Suppliers

Our sustainability journey is a story of collaboration and shared ambition. We are forming deeper partnerships with core suppliers to solve long-standing sustainability challenges.

We recognize that making a meaningful positive impact will require continuous engagement with our suppliers. As times and expectations evolve, the evaluation of the relationship and the level of engagement expand. Working with partners that share the same values and perspectives enables better results for our business, for our communities and for the environment.

In FY20, we launched our new Supplier Engagement Strategy to establish and maintain collaborative partnerships and systems that foster increased transparency and accountability. Our Supplier Engagement Strategy is built on our long-term strategic approach for value creation. Our segmentation principles and criteria are based on business execution, citizenship and sustainability, and product integrity.

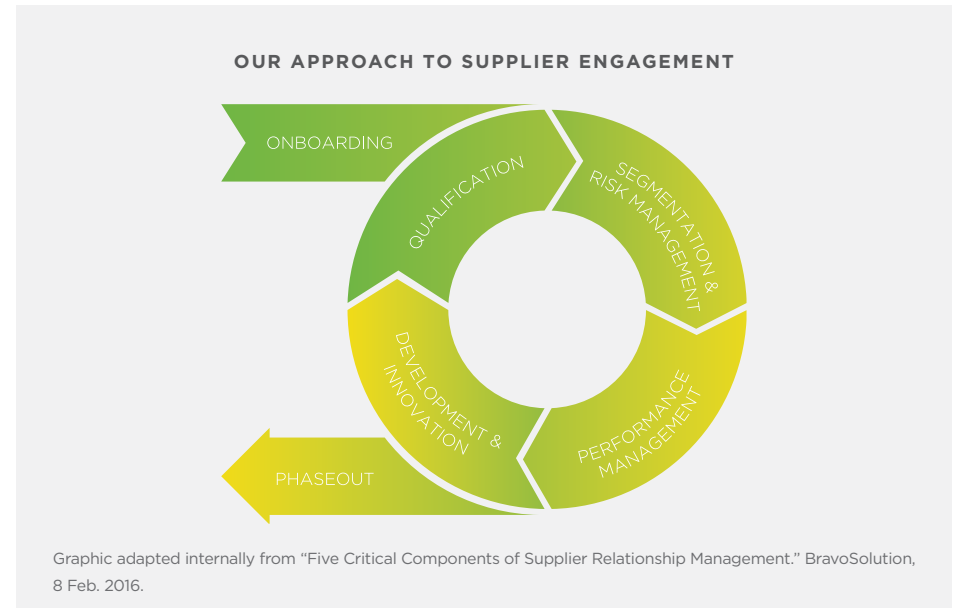
Business results are evaluated through measured performance as well as conversations that allow two-way feedback so we can improve together. Product Integrity is assessed and secured at various stages of our value chain operations through a robust Global Testing and Quality Assurance Program. We built long-term, mutually beneficial relationships with partners that share our values, are committed to continuous improvement and provide the best products to our consumers while protecting the environment and enhancing the lives of people who contribute to it.

During FY20, we worked with our strategic and key suppliers to set social and environmental

targets to help us make progress toward our goals and put in place performance expectations and detailed methods for data collection. To support learning and understanding, we conducted a survey with supplier partners on social and environmental issues. The evaluations, expectations and commitments are shared with our strategic and key suppliers, and actions and road maps are shared to track progress.

Looking ahead, we are developing a supplier relationship management tool to distribute to our strategic and key suppliers, factories and fabric mills in 2021. The tool aims to deepen our relationships, secure transparency and facilitate communications. We will continue to host our Biannual Supplier Summits to encourage open dialogue about our priorities, learnings, opportunities and challenges and how we can partner together to continue to create value and uphold our standards.

By 2022, we aim for 80 percent of our business to be with strategic and key suppliers. As of FY20, that figure is at 47 percent.



Sustainable Materials

We focus on integrating social, ethical and environmental factors in the process of developing and sourcing our key raw materials.

Across the apparel industry, more than 97 percent of the materials used are from virgin sources, which is resource-intensive to produce. As a brand with a deep history in quality and authenticity, materials have always mattered to us. We've prioritized durability, craftsmanship and performance to create products that stand the test of time. Since setting our 2025 goals for our key raw materials (cotton, wool, cashmere, leather, viscose, polyester and down), we have continued to refine our sustainable sourcing criteria. The impacts that our raw material sourcing have on water, land use, animal welfare and labor practices are just some of the reasons this is such an important part of our Design the Change strategy. In addition to working to meet the sustainability criteria we have set for each of our key raw materials, we are continually exploring and assessing sustainable material innovations with a focus on reducing our negative impacts and scaling our positive impacts.



100 percent of our key materials will be sustainably sourced¹

Our raw material sourcing strategy is guided by our commitment to sustainability and ensuring visibility and influence in our supply chains through traceability efforts. In FY20, we created a sustainable raw material road map to outline the pathway to achieving our 2025 goals. We have already begun to make progress against our road map, increasing the volumes of more sustainable cotton, polyester and leather used across our brands and products.

We are working to develop systems and protocols to track and measure the total volume (by weight) of sustainable materials as a portion of total raw materials sourced. Until these measures are in place, we will track our progress in terms of the number of units that use a material with a sustainability attribute. In FY20, 11 percent of units met our sustainability criteria for cotton, polyester or wool.

¹ We define "sustainably sourced" with specific standards and certifications for each raw material we have set goals for: cotton, wool, cashmere, leather, polyester, viscose and down. We leverage trusted, third-party standards such as the Responsible Wool and Down Standards.

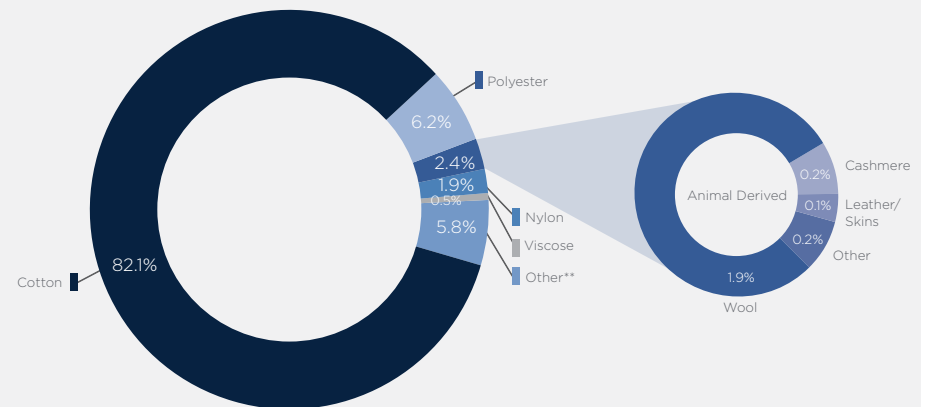


100 percent of animal-derived materials—as covered in our animal welfare policy—will be certified or traceable

Although animal-derived materials only make up a small portion of our total material use (approximately 2 percent), and are primarily by-products from other industries, we remain committed to ensuring the respectful treatment and well-being of animals. Our [Animal Welfare Policy](#) guides our teams in sourcing these materials only from responsible suppliers. In FY20 we made great progress on our sustainable material goals for down, wool and cashmere, furthering the introduction of third-party animal welfare and sustainability standards.

In the coming year, we will increase our use of sustainable materials through the partnerships, innovations and programs described below.

FY20 MATERIAL USE*



*In FY20, we expanded our assessment of raw material use from apparel to other products such as home, footwear and accessories. Material use for these categories was previously not available and therefore was not included in the material use data shared in the FY19 Global Citizenship & Sustainability Report. Percentages do not add up to 100 percent due to rounding.

**Primarily includes additional materials used in our accessory and footwear products.

COTTON

By 2025, 100 percent of our cotton will be sustainably sourced, which we define as cotton that is either: from the Better Cotton Initiative (BCI), Fair Trade certified, organic, recycled, transitional or aligned to the U.S. Cotton Trust Protocol.

Cotton is our primary material, accounting for 82 percent of our total material use. In FY20, 13 percent of our total cotton units met our sustainable sourcing criteria, putting us on track to meet our 2025 goal. We are focused on transitioning our core products, such as polos, knits, chinos and shirts, to sustainably sourced cotton first. In FY20, 41 percent of these core products (as measured by units) used sustainably sourced cotton.

To help us sustainably source our cotton, we became members of the BCI in support of their mission to address the environmental, social and economic issues associated with growing cotton. In 2019, we sourced 6,500 tonnes of Better Cotton, which is equivalent to an estimated 8 percent of our total cotton use.²

This year, we updated our definition of sustainable cotton by replacing U.S.-grown cotton with U.S. Cotton Trust Protocol. This change brings a needed third-party standard to cotton grown in the U.S. We also added “Fair Trade certified” to round out our definition of sustainable cotton.



In FY20, 13 percent of our total cotton units met our sustainable sourcing criteria, putting us on track to meet our 2025 goal

² Eight percent is a percentage of our total estimated cotton lint consumption for FY20 and not based on unit estimations which are used to calculate the percent of our total units that are using more sustainable cotton.

POLYESTER

By 2025, 100 percent of the polyester we source will be recycled polyester.

Currently, polyester only makes up 6 percent of our total material use. As of FY20, 1 percent of our polyester was recycled as we began making the transition from virgin polyester. We have incorporated recycled polyester in over 100 styles, including our Earth Polo, which is made entirely from fiber derived from postconsumer-recycled ocean-bound plastic bottles. The Earth Polo is produced in partnership with First Mile, an organization with a global mission focused on sustainability and positive social impact. First Mile works with entrepreneurs in low-income communities to collect the recyclable plastic bottles, which are then processed using unique and eco-friendly manufacturing techniques.

The transition to recycled polyester is significant. It uses 45 percent less energy and emits 30 percent less carbon dioxide compared to virgin polyester.³ The introduction of recycled polyester into our materials use is part of our commitment to use 170 million recycled plastic bottles in our products and packaging by 2025. In FY20 alone, we repurposed more than 20 million recycled bottles.⁴



In FY20 alone, we repurposed more than 20 million recycled bottles

³ According to data provided by [REPREVE](#)

⁴ This number was determined based on data provided by Primaloft and First Mile for our branded recycled polyester. For our generic GRS-certified recycled polyester, data is based on the bottle consumption conversion provided by the mill.

NYLON

We have focused on transitioning to recycled nylon for shells and other fabrics that are 100 percent nylon. Most of our Polo outerwear styles use recycled materials. In select RLX outerwear styles, we have started adopting Econyl®—a 100 percent regenerated nylon made from pre- and post-consumer waste like fishing nets, industrial plastic waste and fabric scraps.

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VISCOSE

By 2025, 100 percent of our viscose will be sustainably sourced and verified through CanopyStyle audits.

The sourcing of viscose, a plant-derived fiber, has been connected to the deforestation of ancient and endangered forests. We stand with many industry peers and have communicated our expectation to suppliers that any viscose used in our products does not contribute to deforestation. We recently formalized our commitment to sustainably sourcing viscose with the publication of our [Forest Protection Policy](#).

Ralph Lauren is committed to achieving the highest level of transparency and sustainability within its viscose supply chain. Beginning in FY21, Ralph Lauren will be asking suppliers to provide information on the origin of cellulosic fibers to evaluate the associated sourcing risk. We will also ask suppliers to put in place their own sourcing policies which commit them to not source fibers from ancient and endangered forests or controversial sources. Finally, we will partner with suppliers to confirm the status of our viscose supply chain and use the results of the CanopyStyle audit to create a roadmap to achieve our 2025 goal, including prioritizing the use of the highest-ranked fiber producers as published in Canopy's annual Hot Button Report.

LEATHER

By 2025, 100 percent of our leather will be sourced from Leather Working Group (LWG)-certified tanneries, with the aim that all tanneries achieve LWG Gold certification by 2030.

To achieve gold certification, our tanneries must rank in the highest bracket across critical sustainability issues such as restricted substances and water use. As of FY20, 43 percent of our leather suppliers are certified by LWG (gold, silver or bronze rating), accounting for 90 percent of our total leather use.

While our current sustainable leather goal is focused on tanneries, our long-term ambition is to trace our leather back to the farm to verify their animal welfare practices and impacts on land use, specifically deforestation. Through our membership in the Textile Exchange, we are supporting the burgeoning work of the [Leather Impact Accelerator](#), a program dedicated to aligning members of the leather value chain to achieve meaningful sustainable impacts. This approach aligns with our commitment to the G7 Fashion Pact, which aims to reduce the environmental impact of the apparel industry, including a focus on stopping the decline of biodiversity.

DOWN

Currently, all of the down we source for products manufactured by Ralph Lauren suppliers is certified by the Responsible Down Standard (RDS) or the Traceable Down Standard (TDS).

In FY20, we made significant progress in using alternative down from recycled materials. We became the first brand to incorporate a Primaloft® down alternative—ThermoPlume™—into our products. ThermoPlume™ is made entirely from recycled plastic bottles and provides the same quality and function as conventional down. As of FY20, ThermoPlume™ was incorporated into our Ralph Lauren packable down outerwear.

All of the down we source for products manufactured by Ralph Lauren suppliers is certified by the Responsible Down Standard or the Traceable Down Standard



WOOL

By 2025, all of our wool will either be recycled or certified by the Responsible Wool Standard (RWS).

In FY20, we continued incorporating recycled and RWS-certified wool into selected products. We also actively engaged with our suppliers to better understand the barriers associated with sourcing RWS wool in various geographies, with the aim of increasing the availability of this wool in the future.

We are also exploring the use of other certified wools, such as Nativa and Cradle to Cradle, that meet RWS standards for animal welfare and take additional social and environmental impacts into consideration.

CASHMERE

We aim to make sustainable cashmere more readily available in our supply chain. In FY20, we made progress toward transparency by beginning to map the countries of origin for our cashmere. We are also engaging with the Sustainable Fibre Alliance and the Textile Exchanges' Responsible Cashmere Round Table to identify the best avenues to advance the development and adoption of existing standards.

We are also working to incorporate recycled and Cradle to Cradle-certified cashmere into our products.



Chemical Management

We will monitor and reduce hazardous chemical use and discharge, ultimately eliminating all hazardous chemicals from the manufacture of our products.



2025 GOAL

Eliminate the use of hazardous chemicals in our supply chain

Modern textile production relies on chemicals—our mission is to identify the safest substances for people and the environment. Guided by our [Sustainable Chemical Management Policy](#), no chemical will be overlooked—if it’s a cause for concern, we seek a safer option. Responsible chemical management is key to meeting our social and environmental supply chain standards, and we believe broad industry collaboration is required to achieve widespread implementation.

In FY20, we joined the Zero Discharge of Hazardous Chemicals (ZDHC) Programme as Friends of ZDHC. The ZDHC Programme is a collaborative group of contributors and stakeholders in the textile and leather industry that work collectively to eliminate the usage and discharge of hazardous chemicals from the supply chain. We are adopting ZDHC standards and tools to guide the way our supply chain selects, purchases and manages chemicals. This approach will help reduce supplier assessment fatigue and maximize the implementation efforts.

We also partnered with the Apparel Impact Institute and five of our largest fabric mills to implement the Mill/impact Initiative. Through this program, the mills will have access to expert guidance in identifying and implementing measures to enhance on-site energy and water efficiency, as well as chemical management practices.

In FY20, we adopted the ZDHC manufacturing restricted substances list (MRSL) and began communicating to our suppliers through our vendor compliance program. The MRSL is key to enabling suppliers to track and report on all chemicals used in the development and manufacturing of our products as well as prioritize harmful chemicals for removal. In FY20, we identified perfluorocarbons (PFCs) for removal from our garments. PFCs are used in apparel production to create high-performance water-repellant materials but if not managed correctly, could lead to adverse impacts on people and the environment. In FY20, we began a pilot program to explore phasing out PFCs across all Ralph Lauren brands.

While it remains an industry challenge to achieve full visibility of chemical usage throughout the supply chain, we are working with our suppliers toward this objective. We are prioritizing our chemical transparency initiative with strategic and key suppliers, which made up 47 percent of our production in FY20. As we progress toward our 2025 goal, we set an interim objective with our strategic and key suppliers to achieve full chemical transparency by the end of 2020. We also identified a chemical inventory management tool to help suppliers track and directly report the chemicals used in production against the ZDHC MRSL. We will begin rolling this tool out to our strategic, selected key suppliers and fabric mills next year.

SUSTAINABLE DENIM

In addition to our goal to source sustainable cotton for all of our denim, discussed on page 12, in FY20, we began our transition to sustainable denim production across our global facilities. Key initiatives include:

- Reducing our use of potassium permanganate in all of our denim laundries, with the goal of reaching zero
- Increasing laser technology applications to replace manual sanding in selected facilities
- Replacing the use of pumice stones with alternative abrasives including synthetic stones or switching to enzyme processes for our core denim washes, with the goal of eliminating pumice stones by 2025





Protect the Environment

We're using partnerships and innovative technology to reduce the environmental impact of our operations and supply chain across energy, emissions, water and waste.



Carbon and Energy

Our Carbon Strategy

We commit to addressing the issue of global climate change and the contributing impacts of our business by reducing greenhouse gas emissions across our value chain.

Ralph Lauren is supporting a wave of change in our industry, taking action to reduce the climate impact of our business and our value chain. There is a consensus amongst industry leaders—we must move quickly and collaboratively to decarbonize the fashion sector, which is responsible for 10 percent of global greenhouse gas (GHG) emissions. We are working with coalition groups and industry experts to reduce our carbon footprint.

We are signatories to the We Are Still In declaration and the UN Fashion Industry Charter for Climate Action, pledging to limit our emissions in line with the Paris Agreement goals. We are also members of the G7 Fashion Pact, a group of fashion leaders working to stop global warming, restore biodiversity and protect the oceans. As part of our carbon reduction strategy, we joined [RE100](#) and committed to the goal of powering our owned and operated offices, distribution centers and stores with 100 percent renewable electricity by 2025.

GHG REDUCTION GOAL

In FY20, we established a science-based target to reduce our absolute GHG emissions by 30 percent by 2030, compared to 2020 levels. This target includes reducing emissions from our operations (Scope 1 and 2) by sourcing 100 percent renewable electricity and reducing emissions from our supply chain (Scope 3).

Our goal was approved by the [Science Based Targets initiative](#) (SBTi), indicating that our ambitions align with reduction pathways to limit global temperature rise across the planet to 1.5°C. By selecting FY20 as our baseline, we leveraged our most accurate carbon data and aligned our goal to SBTi guidelines.⁵ The goal is consistent with our commitment as a signatory to the UN Fashion Industry Charter for Climate Action and our membership in RE100.



SCIENCE-BASED TARGET

Thirty percent reduction in absolute Scope 1, 2 and 3 GHG emissions by 2030 compared to a FY20 baseline. As part of this goal, Ralph Lauren also commits to the goal of sourcing 100 percent renewable electricity by 2025.

Setting a value chain carbon reduction target is a significant milestone for Ralph Lauren. We believe that companies must establish ambitious, science-based targets to ensure that society averts the disruptive effects of climate change. Our commitment represents our long-standing values, reflects the evolution of our thinking and will help decarbonize the fashion industry.

We are working on a detailed plan to implement our goal by sourcing renewable energy for our operations and reducing the carbon intensity of manufacturing and production in our supply chain.

⁵ SBTi guidelines recommend that the most recent year is used as a baseline.

OUR FOOTPRINT

A comprehensive carbon footprint is the foundation for our science-based target. In FY20, we improved our methodology to ensure that our calculations are representative of our value chain and consistent year-over-year. For the first time, we expanded our footprint to include our supply chain emissions, which account for 92 percent of our total footprint, with Scope 1 and 2 accounting for the remaining 8 percent.

Our Scope 1 and 2 carbon footprint consists primarily of emissions from electricity and fuels for heating and cooling the facilities in our direct operations and a smaller portion due to refrigerant emissions. In FY20, our operational energy consumption was 319,586 MWh, which resulted in 126,665 MTCO₂e. The energy intensity of our owned and operated stores was 36.3 kWh/sq ft.

Our Scope 3 carbon footprint consists of indirect emissions from our global supply chain. In FY20, our total Scope 3 emissions were 1,538,079 MTCO₂e.

In future reports, we will share progress toward our 2030 GHG reduction goal.

Energy and Emissions ^{***}	
Energy Use (MWh) at our own facilities in FY20	
Operational Energy Use	319,586
Carbon Footprint (Scope 1, 2 and 3) (MTCO ₂ e) in FY20	
Total Emissions	1,664,744
Scope 1 Emissions	16,248
Scope 2 Emissions	110,417
Scope 3 Emissions	1,538,079
Carbon Intensity (MTCO ₂ e/\$ million revenue)	270.26

* Due to improvements in our carbon footprinting methodology for FY20, we are unable to draw comparisons to historical data for FY18 and FY19. Our previous footprint did not account for all of our owned and operated facilities and energy use, and our carbon accounting system did not allow for easy recalculation of previous years. Therefore, we chose to use FY20 as our baseline to ensure accuracy and full inclusion of all emissions sources. Previously reported carbon data, which leveraged a different methodology, is available in the 2019 Global Citizenship & Sustainability [report](#).

** We measure and calculate our emissions according to the World Resources Institute Greenhouse Gas Protocol, the industry standard and international tool for carbon accounting. For a more detailed methodology, see our 2020 Standards Supplement.

Energy in Our Operations

SOURCING RENEWABLE ENERGY

Around the globe, renewable energy is increasingly available and cost-competitive compared to conventional power sources. Our strategy for achieving our Scope 1 and 2 GHG reduction goal is focused primarily on renewable energy. In FY20, we joined RE100 and committed to the goal of powering our owned and operated offices, distribution centers and stores with 100 percent renewable electricity by 2025.

To achieve this goal, we plan to implement virtual power purchase agreements in North America and assess our U.S. locations for onsite solar power installations. For our remaining electricity use, we plan to purchase high-quality green electricity credits, such as renewable energy certificates. As of FY20, 2 percent of electricity used in our operations was from renewable sources. We expect this number to significantly increase as we put our renewable energy strategy into action.



Our owned and operated offices, distribution centers and stores will be powered by 100 percent renewable electricity

ENERGY EFFICIENCY IN STORES

We use environmental management systems to monitor and control energy-intensive building components including lighting, heating and cooling. In FY20, we opened 11 stores globally designed with LED lighting and we retrofitted the lighting in 16 existing stores to be more energy efficient. In FY21, we will retrofit the lighting at the remainder of our Polo and Ralph Lauren branded stores in North America and we are evaluating additional opportunities at our Asian and European stores. In FY20, our stores consumed 190,324 MWh and their carbon intensity was 0.014 MTCO₂e/sq ft.

In FY20, we joined RE100 and committed to powering our owned and operated offices, distribution centers and stores with 100 percent renewable electricity by 2025.

Reducing Our Supply Chain Footprint

By mapping our Scope 3 footprint, we identified priority areas for emissions reduction, including raw material manufacturing and garment finishing where the final touches are added to our products.

TIER 1 SUPPLIERS

We are gathering environmental data, including energy use, from tier 1 suppliers through the Sustainable Apparel Coalition (SAC) Higg Facility Environmental Module. The data will inform how we reduce the carbon emissions associated with our supply chain. As of FY20, 216 supplier facilities provided energy use and emissions data, representing an estimated 63 percent of our total supply chain spend.

In FY21, we will collect data from more suppliers and create road maps to help reduce our supply chain carbon footprint, starting with our strategic and key suppliers.⁶

TIER 2 FABRIC MILLS

In FY20, we partnered with five of the largest fabric mills we work with to help them join the Apparel Impact Institute (AII) Mill/impact program. Building upon the Clean by Design methodology, the program provides training and resources to help suppliers reduce their carbon, water and chemical footprint. Our participating fabric mills receive on-site visits from environmental experts, consultation on goal-setting and technical support for environmental impact reduction projects.

⁶ Strategic and key suppliers are those suppliers that have a strategic relationship with Ralph Lauren aligned to our business strategy, develop business-critical products and meet our standards at a gold (strategic suppliers) and silver (key suppliers) level.

SHIPPING OUR PRODUCTS

Product transport—including train, truck and air—is included in our Scope 3 footprint. We aim to use the most efficient transportation possible to mitigate cost and environmental impact when shipping products to our distribution centers.

We expect our suppliers to deliver products in the most cost-efficient and environmentally friendly way possible. Only in rare circumstances, when production does not meet delivery deadlines and we are in urgent need of that supply, do we allow vendors to deliver product via air. In FY20, vendor-managed air accounted for only 3.8 percent of total shipments, compared to 5.8 percent in FY19.

Logistics*		
	FY19	FY20
Air Freight (% of shipments)	5.8%	3.8%

* Inbound shipment from factory to global point-of-receipt

In FY20, Ralph Lauren signed the Ocean Conservancy Arctic Shipping Pledge to protect the Arctic marine ecosystem from the negative impacts of commercial shipping. As a signatory, Ralph Lauren commits not to hire carriers to ship our products through Arctic Trans-shipment Routes. We also engage with organizations such as Clean Cargo, a BSR collaboration for sustainable transportation, and the U.S. Environmental Protection Agency SmartWay program on efficient logistics.

In FY20, 216 facilities that supply us, representing 63 percent of our supply chain spend, provided their energy use and emissions data through Higg



Water Stewardship

Our Water Strategy

We commit to reducing water consumption across our value chain, and to safeguarding and preserving water resources in our communities.



2025 GOAL

Achieve at least a 20 percent reduction in total water use across our operations and value chain, compared to a FY20 baseline

All life depends on water, and we can't overstate the importance of our industry protecting this finite resource. We are in the process of transforming the way water is used in our supply chain, introducing the best new technologies that minimize consumption and protect the world's water resources.

As of this year, our water stewardship initiatives include:

- Leveraging the SAC Facility Environmental Module to capture water data from our tier 1 suppliers.
- Enrolling five of our tier 2 fabric mills in the Apparel Impact Institute (AII) Mill/*impact* program to reduce their environmental impact, including water use.
- Working with seven knit and woven manufacturers to minimize water use and improve effluent treatment by upgrading factory equipment. We estimate these projects helped our knit and woven partners avoid 168,000 cubic meters of water use in FY20.
- Manufacturing all Earth Polos with a waterless dyeing technology.
- Reducing the use of water-intensive chemicals in the production of core denim products.

In addition, we entered into a collaboration with World Wildlife Fund to accelerate progress toward our goal of reducing our water use. In this first year of the collaboration, we are analyzing our water footprint, identifying areas of water risk, and outlining strategies to decrease our water consumption while also identifying opportunities to address water quality and access needs across our value chain.

Through our partnerships with GiveMeTap and DigDeep, our water stewardship initiatives extend to our communities. Read more about our work to safeguard and preserve water in [Community Engagement and Philanthropy, on page 26](#).



Waste Management

We commit to integrating zero waste principles across our business. We aim to divert waste from landfill through increasing recycling and upcycling, reducing waste at its source, and implementing other best practices.

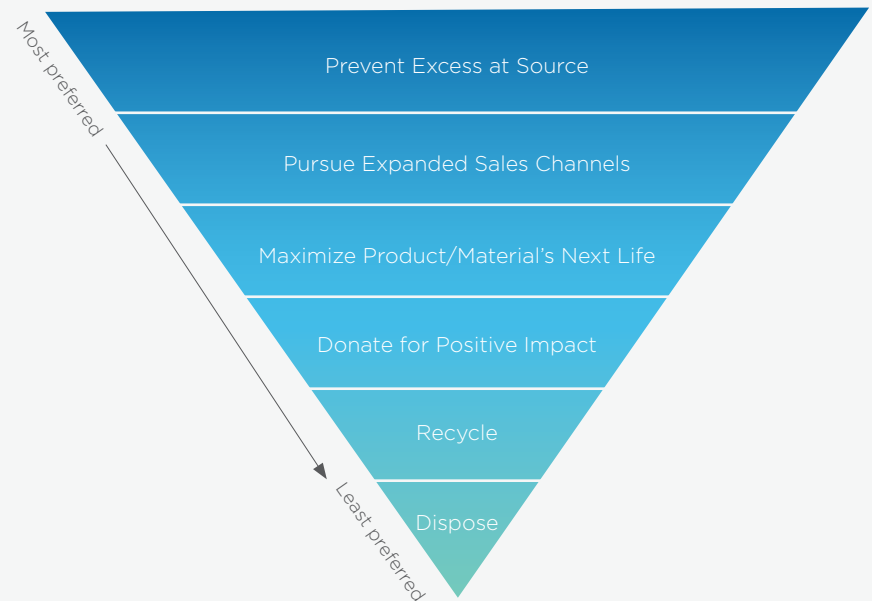
Toward our goal for zero waste, we are designing waste out of our processes, in our own business and throughout our supply chain.

From manufacturing to distribution centers, retail operations and events, we are identifying ways to replace, improve and create processes that will eliminate waste and help us progress toward our zero waste distribution center goal, as well as our commitment to bring zero waste principles into all aspects of our business and value chain. Our approach addresses waste associated with products and our operations.

Managing Excess Inventory

In FY20, we developed a set of guiding principles to support our waste management strategy. These principles were created to minimize waste, maximize the value of our products in their first and next life, keep all materials at their highest and best use and maintain the integrity of our brand throughout all of the above. To help put our principles into practice, we established a waste management hierarchy for inventory and commercial waste to guide decision-making across the organization.

OUR EXCESS INVENTORY MANAGEMENT PRINCIPLES



PREVENT EXCESS AT SOURCE

In FY20, we started to develop a global approach to reducing inventory waste and standardized the steps we take to prevent excess product from becoming waste.

Accurately predicting product demand is a common challenge in our industry. As a result, in the traditional manufacturing model, production routinely exceeds demand. We envision a future where we produce only what is needed—eliminating any overproduction altogether. To do this, we have taken steps over the last few years to better balance our inventory with demand. We have continued to shorten value chain lead times and implemented agile production models, while applying buying techniques that more closely match manufacturing to demand. Over the last three years, we have produced fewer units while increasing our revenue and profit margins. This success shows it is possible to maintain financial performance while minimizing overproduction.

In FY20, we launched a pilot to minimize overproduction of our wholesale orders in our European market. Working together, our merchandising, sourcing and global manufacturing teams manage commitment dates to ensure that they occur after we confirm customer orders. This cut-to-sales model decreased the number of extra items made, and in FY21, we will implement the same process improvement in North America.

PURSUE EXPANDED SALES CHANNELS

After offering our products in full price omni-channel across regions, we evaluate pursuing alternative sales channels for products that are not sold within the planned time frame, including our outlet stores and various clearance partners around the world.

We are also using service-based revenue models like rental platforms, also known as 'shared closets'. We are on platforms including Rent the Runway and Nuuly with our Polo, Lauren and Club Monaco brands.

MAXIMIZE PRODUCT OR MATERIAL'S NEXT LIFE

We have begun to expand the potential "next life" opportunities for our products by expanding our use of re-commerce and upcycling. In FY20, we launched RE/SOURCED a uniquely curated collection celebrating vintage Polo with Depop and are pursuing additional vintage and resale opportunities for FY21 and beyond.

Building on our various Upcycling capsules and collaborations in the past, we are continuing to find creative ways to use products and fabrics to make new, one-of-a-kind products.

EMPLOYEE ACCESS

While we have historically held employee sales of excess inventories, access has been limited to employees in the immediate geography of the inventory. In FY21, we will begin exploring new ways to provide employees access to excess inventories and are in the process of creating a pilot digital employee sale.

DONATE FOR POSITIVE IMPACT

In FY20, we made donations to a number of partners across our global networks, including Delivering Good and Material for the Arts.

We donated over 40,000 units of products. Our donation strategy is focused on helping as many communities as possible where our employees and customers live and work and aligning our partnerships with nonprofits to that strategy.

RECYCLE

Taking the learnings from a garment recycling pilot in Europe, where we recycled garments to make raw materials for insulation and soundproofing boards, we are continuing to find opportunities to recycle excess product when all other, more productive and more sustainable options have been explored. Textile recycling does have technical and product eligibility challenges, such as the inability to process blended fabrics and limited options for shoes and handbags. In FY21, we will continue to explore recycling options and partners.

DISPOSITION

After we have exhausted the channels and avenues described above, we reserve product disposition (or destruction) as a last resort. We prioritize waste-to-energy disposal methods wherever possible. As visualized in our hierarchy on page 21, our aim is to reduce waste as much as possible through the strategies we have outlined and ultimately eliminate product disposition or destruction.

As we look to the future, we will be ramping up our donation partnerships as well as exploring new recycling partners for eligible products.

Operational Waste

The teams at our distribution centers, offices and stores are focused on waste avoidance and minimization. We are analyzing our waste streams, improving signage and establishing new partnerships to avoid sending materials to incineration for energy or landfill.



Achieve zero waste to landfill across our distribution centers

We reduce waste at our distribution centers to drive efficiency and minimize our environmental impact. In FY20, we conducted a global assessment of waste generated at our distribution centers and calculated the baseline diversion rate across selected global sites. In FY20, we achieved 90 percent diversion at our owned distribution centers in North America. In FY21, we will work to achieve similar diversion rates in our third-party-operated distribution centers in Europe and Asia.

To reach our zero-waste goal, we recycle or reuse most of the cardboard, plastic, pallets and paper material that enter our facilities. We are working to ensure that every distribution center also has a solution in place for items such as electronics and light bulbs. In FY21, at our third-party-operated distribution centers in Europe and Asia, we will focus on excess inventory diversion.

In FY20, we generated 5,507 metric tons of waste at our distribution centers and diverted 4,658 metric tons of waste from landfill. In FY21, we will work with our haulers to improve our distribution center diversion rate by further reducing the waste we send to landfill. One area of opportunity we plan to address is recycling or eliminating the hangers and polybags which our suppliers typically include in product shipments.

Our retail stores continue to recycle to divert waste from landfill. In FY20, we were directly responsible for waste management at 86 of our retail locations, and 100 percent of our stores in North America continue to have recycling programs.

Our employees want to play an active role in our sustainability program, and we are harnessing that energy in a new community group—the Green Ponies. Formed in FY20, the Green Ponies advance environmental improvements at our offices by driving internal awareness, collecting innovative ideas and implementing solutions.

Operational Waste in FY20		
	Metric Tons	Diversion Rate
Distribution Centers	5,507	85%
Stores*	2,917	78%
Offices*	1,434	35%
Total Operational Waste	9,858	75%

*Comprehensive site-specific waste data was not available for all offices and stores. Waste data was modeled for these sites.

In FY20, our distribution center diversion rate was 85 percent, on track to meet our 2023 goal

Sustainable Packaging

For more than a decade, Ralph Lauren has recognized the importance of environmentally responsible packaging. Our 2025 company-wide goal is to only use recyclable, reusable or sustainably sourced packaging materials.⁷ As of FY19, over half of our packaging met this criterion, with the share of sustainable packaging continuing to increase in FY20.



100 percent of our packaging material will be recyclable, reusable or sustainably sourced

In FY20, we took several steps toward achieving our sustainable packaging goal, including formalizing our [Forest Protection Policy](#). This policy underscores our commitment to reduce the environmental and social impacts of our packaging. During the year, we inventoried every material used in our product packaging. Our top three items by volume of usage are stickers, decorative tags, and polybags—individual plastic bags used to protect products. Through our inventory, we identified over 250 unique items that met our sustainability criteria, including our recyclable tags, reusable shopper bags and polybags that contain 50 percent postconsumer-recycled content.

We have identified 20 priority packaging materials that we will either stop using or transition to more sustainable sources. In FY20, we developed guidelines for decorative tags which will reduce nonessential tags and require that FSC-certified paper is used for tags that are not eliminated.

We also worked with suppliers and other retail brands on how we can eliminate, reduce or replace polybags. In FY20, we piloted a program with selected suppliers to reduce the number of polybags used in transporting products and tested 14 alternatives to polybags including recycled content bags, biobased bags and bags with lower impact at end of life.

Customers can select a reduced packaging option for any orders placed through RalphLauren.com. For these orders we do not include plastic or paper inserts, hangers or garment bags, promotional materials and paper invoices. In FY20, we proactively removed and recycled all of the polybags from reduced packaging orders, representing 12 percent of all orders placed through RalphLauren.com that year. To make this possible, we updated our customer service website, changed our packing process and trained employees in our customer service and distribution centers on the new procedure. We are also developing a reusable shipping package pilot as part of our effort to reduce shipping packaging waste. In FY20, we identified a viable reusable packaging solution and we plan to test the concept in FY21.



As of FY19, over half of our packaging was recyclable, reusable or sustainably sourced

⁷In FY20, we updated our goal to include reusable packaging options. Sustainably sourced includes packaging that is post consumer or post industrial recycled content or FSC certified.

Champion Better Lives

We aim to go beyond reducing our impact to positively affecting the lives of those touched by our business, including people in our communities, workforce and supply chain.



Community Engagement and Philanthropy

Giving Time and Talent

We make a meaningful difference in our communities through our global employee volunteerism and our dedication to social and environmental causes.



2025 GOAL

Increase volunteer hours 25 percent compared to a FY18 baseline

Our employees are passionate about volunteering and fundraising in their communities, which we encourage by connecting them to inspiring opportunities. In FY20, we achieved our volunteering goal ahead of schedule due to the thousands of Ralph Lauren employees who supported their local nonprofit organizations. During the year, they donated more than 14,000 hours of their time, an increase of 50 percent compared to our FY18 baseline.

As part of the Ralph Lauren Gives Back program, we host three⁸ dedicated volunteering weeks annually that encourage teams company-wide to give back to their communities. We also participate in community engagement activities year-round with focus events like our Pink Pony campaign, Earth Day and our Season of Giving that takes place in December.

⁸ Only two dedicated volunteering weeks were held in FY20 due to COVID-19 restrictions.

⁹ Our third volunteering week in FY20 was cancelled due to COVID-19 restrictions affecting our FY20 volunteering efforts.

FY20 EMPLOYEE VOLUNTEERING⁹

3,726
employees
participated

14,252
hours
volunteered

244
events attended

150
organizations
supported



Philanthropy

The Ralph Lauren Corporation (the Company) makes monetary and product donations to support local community groups.

The Company also provides funding, including a portion of cause marketing proceeds, to the Ralph Lauren Corporate Foundation¹⁰ (the Foundation), a distinct charitable entity established in 2001. Combined FY20 contributions from the Company and the Foundation totaled more than \$7 million.¹¹

To support COVID-19 relief efforts, the Foundation donated \$10 million in aid to employees, partners and communities by:

- Providing financial grants through the Emergency Assistance Foundation for Ralph Lauren employees facing special circumstances like medical, eldercare or childcare needs.
- Contributing to the World Health Organization COVID-19 Solidarity Response Fund, a global effort supporting countries to prevent, detect and respond to the pandemic.
- Supporting our long-standing network of international cancer institutions that care for people with cancer who were especially vulnerable during this time.
- Committing an inaugural gift to the Council of Fashion Designers of America (CFDA) and Vogue Fashion Fund to support the American fashion community affected by the pandemic.
- Partnering with the CFDA Foundation and U.S. manufacturers to donate 250,000 masks and 25,000 isolation gowns for healthcare and frontline workers.

Additionally, Ralph Lauren committed around 1.5 million units of clothing, 25,000 meals and other critical supplies including face masks and hand sanitizer to frontline workers and nonprofit organizations around the world.

Throughout the year, the Foundation also prioritized support for cancer care and prevention, LGBTQIA+ equity and access to clean water. Contributions were also made to the California and Australia wildfire relief efforts by supporting the American Red Cross.

Combined FY20 contributions from the Company and the Foundation totaled more than \$7 million

¹⁰ Previously known as the Polo Ralph Lauren Foundation

¹¹ In FY20, the Company sold our corporate jet and donated the proceeds, approximately \$21 million, to the Foundation. This donation is not reflected in our FY20 total contributions to avoid skewing the data.

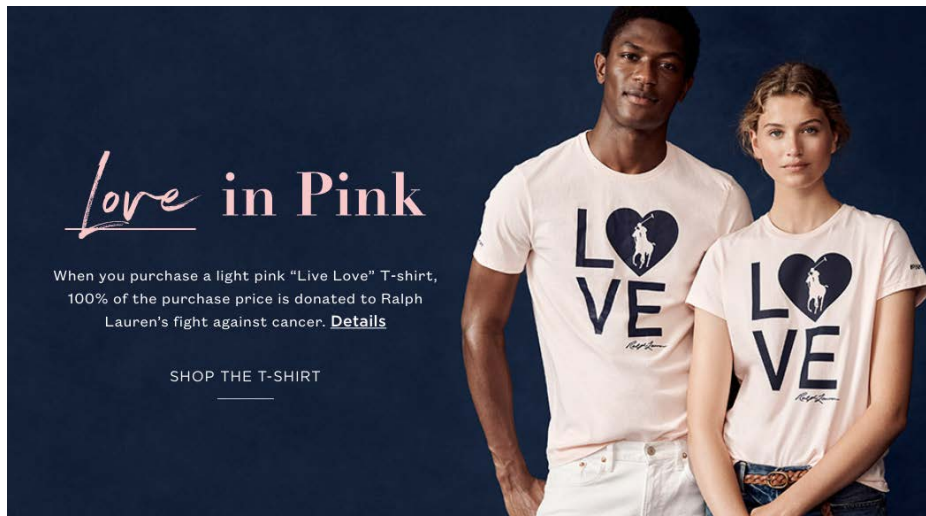


CANCER CARE AND PREVENTION

For almost 20 years, the Ralph Lauren Center for Cancer Care (RLCCC) has worked to reduce healthcare disparities in New York City by providing high-quality cancer prevention and treatment for underserved populations.

In FY20, RLCCC formally joined the Memorial Sloan Kettering Cancer Center, serving vulnerable and minority populations and providing access to cancer screening, prevention and treatment services.

Our global Pink Pony campaign is the cornerstone of our fight against cancer. Now in its 20th year, Pink Pony is recognized for its contribution to raising awareness, encouraging conversation and education and driving donations. In FY20, the corporation donated 100 percent of sales from our pink “Live Love” T-shirt—totaling \$2 million—to the Foundation’s Pink Pony Fund supporting cancer-fighting organizations.



Our cancer work benefits an international network of charities. The Ralph Lauren Corporation reinforced a long-standing partnership with The Royal Marsden Cancer Charity, dating back to 2014, by pledging £1 million by FY22. Contributions will come from product sales, in-store donations and employee fundraising events and will be used to establish a research area within the Oak Cancer Centre which is slated to open in 2022 at The Royal Marsden in Sutton, United Kingdom.

LGBTQIA+ EQUITY AND INCLUSION

Since 2003, the Foundation has proudly supported and invested in the LGBTQIA+ community. To further our aim of creating a culture of belonging, we partnered with the Stonewall Community Foundation. As the beneficiary of our gender-neutral Pride capsule, Stonewall received 100 percent of sales from our “Pride” T-shirt, 50 percent of sales from all other capsule items and donations collected at registers for a total donation of more than \$338,000 in FY20. With a global reach, Stonewall carries out its mission of strengthening the LGBTQIA+ movement through the deployment of targeted, values-driven investments to impactful organizations, projects and leaders.



ACCESS TO CLEAN WATER

Through our partnership with GiveMeTap, we donated \$37,500 in FY20 to fund drinking water projects in rural Africa by providing stainless steel water bottles to our employees across the globe. Additionally, for every Polo-branded bottle sold on RalphLauren.com, a minimum of \$2 has been committed to help fund the installation of water pumps across rural Ghana.¹² To date, the program has provided 13 water pumps and positively affected over 10,000 people.

This year we also provided Navajo families with home water systems through our partnership with DigDeep, a nonprofit focused on increasing access to water and sanitation throughout the United States.



¹² Purchase does not affect funding. All pump funding is by GiveMeTap. Learn more at [GiveMeTap.com](https://www.givemetap.com)



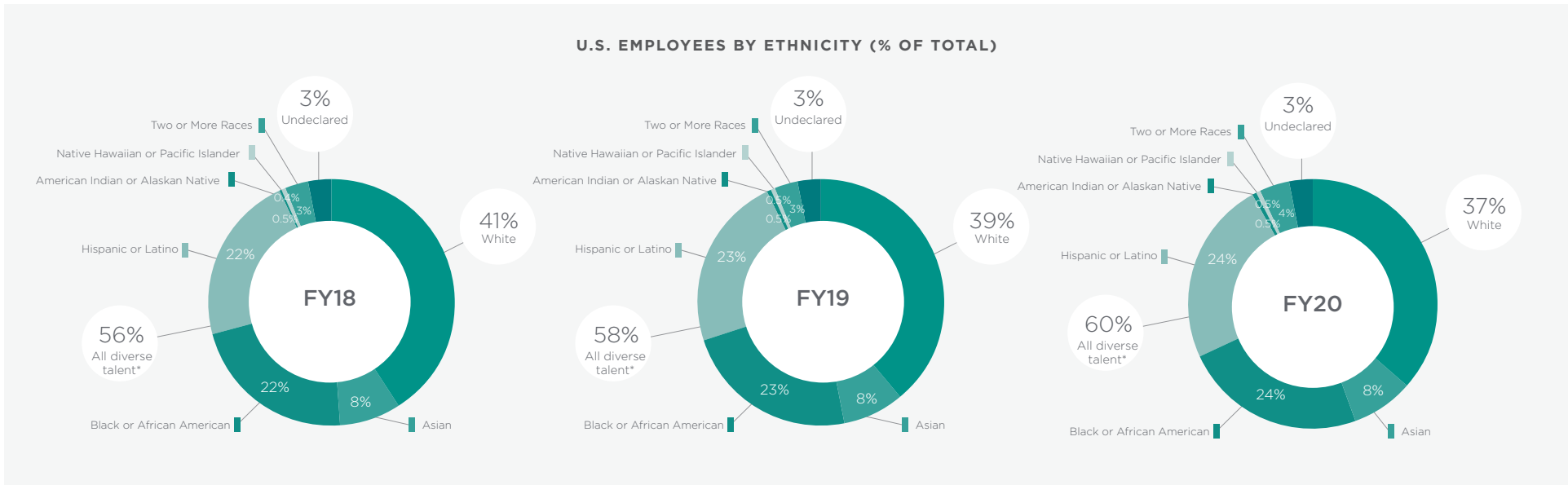
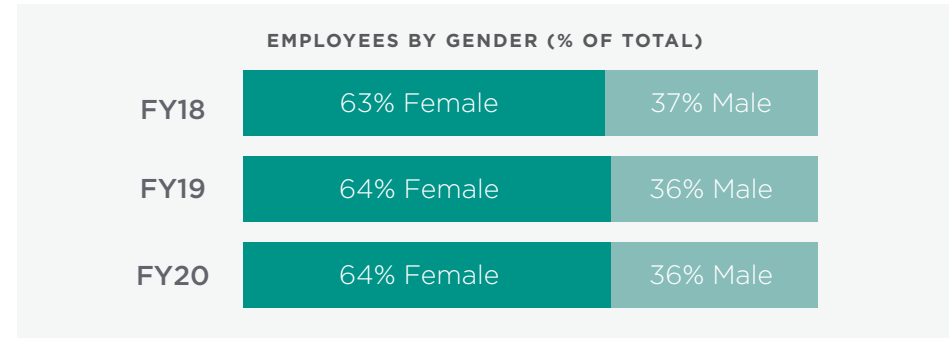
Diversity and Inclusion

We are committed to creating a culture where everyone has a sense of belonging and can thrive to be their best.

We celebrate diverse cultures and backgrounds and aim to make everyone feel included and respected in our extended family.

The diversity of our people and our culture of inclusivity—from our retail employees to our executives—is a business advantage for Ralph Lauren. We become more innovative, creative and successful with each unique individual who joins our Company. In FY20, we updated our recruitment and retention tactics to increase the gender and ethnic diversity of our workforce.

Our FY20 global workforce was 64 percent female, consistent with our FY19 levels. Sixty percent of our FY20 U.S. workforce identified with one or more diverse groups, an increase of 2 percent compared to FY19.



* Employees who identify with one or more diverse groups

In FY20, we reached a milestone in our diversity and inclusion (D&I) journey. We achieved our 2023 gender parity goal for equal representation in leadership positions at the VP level and above three years ahead of schedule. In FY20, women held 50 percent of VP level and above positions at the Company. Moving forward, we will continue to uphold our Parity.org commitment to include women and diverse candidates in the interview process for all open VP level and above roles.



Achieve gender parity with equal representation in leadership positions at the VP level and above



We strive to increase opportunities for women in our workforce globally, and also for female factory workers in our supply chain. On average, women make up half of the apparel supply chain workforce, yet in many markets, the vast majority of supervisor positions are held by men.

Recognizing that we can fundamentally influence the lives of women workers (and their families) by helping them achieve career progression, we are committed to increasing women in factory leadership by 25 percent by 2025. To achieve this, in FY20 we partnered with the International Finance Corporation to launch the Gender Equality and Returns (GEAR) Program to provide training to female workers on the skills needed for supervisory roles. See [Worker Empowerment and Well-Being, on page 35](#), for more information on GEAR.



Increase women in factory leadership by 25 percent

We achieved our 2023 gender parity goal for equal representation in leadership positions at the VP level and above three years ahead of schedule



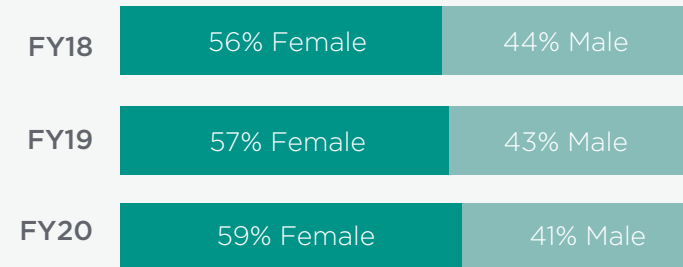
Supporting Diversity

DIVERSE RECRUITMENT

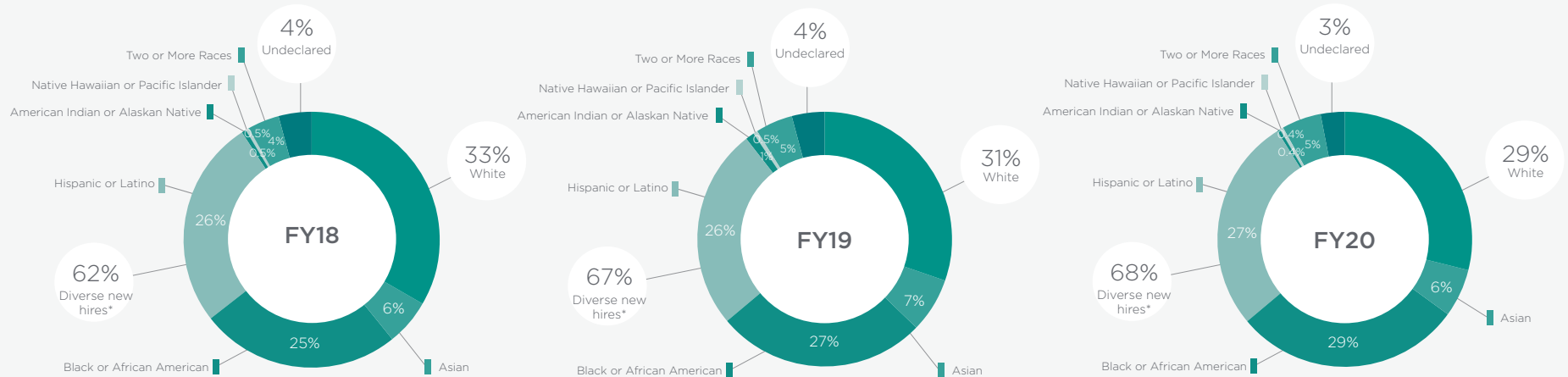
Our University Relations program recruits at colleges and career fairs to sustain a robust and diverse talent pipeline. In FY20, 59 percent of our global new hires were female, an increase of 2 percent compared to FY19, and 68 percent of U.S. new hires identified with one or more diverse groups, an increase of 2 percent compared to FY19.

We partner with nonprofits to expand opportunities for young people from marginalized or underserved communities. In FY20, we formed a partnership with SEO Scholars, a nonprofit that mentors public school students through high school and college. In FY21, we will continue to work with SEO students in mentorship opportunities organized with our D&I employee groups.

NEW HIRES BY GENDER (% OF TOTAL)



U.S. NEW HIRES BY ETHNICITY (% OF TOTAL)



* Employees who identify with one or more diverse groups

ATTRACTING AND RETAINING TALENT

We design our talent management initiatives to attract prospective employees and retain our valued workforce.

We continue to offer early career opportunities through our paid internship program. In FY20, we enhanced our formal corporate and creative internships by extending the program to new international schools and increasing opportunities for direct placement post graduation. Gender, ethnic and socioeconomic diversity are among the criteria we use to select candidates for the program.

To retain our employees, we support career mobility through development opportunities and by encouraging internal recruitment. The impact of this is most evident in our appointments to leadership roles. In FY20, 78 percent of open U.S. Director-level and above positions were filled with internal candidates, consistent with our FY19 levels.

Our Navigating Your Career program provides e-learning, workshops and career coaching for all employees. In FY20, we expanded the program to include networking events, career panels and open office hours with leadership.

In FY20, Ralph Lauren was recognized for our workplace culture:

Forbes
AMERICA'S BEST
EMPLOYERS FOR
WOMEN

Forbes
WORLD'S BEST
EMPLOYERS

In FY20, 78 percent of open U.S. Director-level and above positions were filled with internal candidates

FOSTERING AN INCLUSIVE CULTURE

Our Company is home to people from different backgrounds and we celebrate the varied perspectives they bring to Ralph Lauren. We are creating a culture where all employees have a sense of belonging and thrive—as individuals and as a part of our team.

In FY20, we joined Open to All, a national nondiscrimination coalition. By taking the Open to All pledge, we promise to maintain a safe and inclusive environment for people in our stores and offices.

As a member of the CEO Action for Diversity and Inclusion group, we are committed to advancing D&I within our industry. We are contributing to a CEO Action white paper on how the apparel industry can support and engage employees on D&I—from concept to the shop floor. The white paper will be published and shared with CEO Action signatories in FY21.

In FY20, we scored 100 percent on the Human Rights Campaign [Corporate Equality Index](#), earning the designation of [Best Place to Work for LGBTQ Equality](#)



EMBEDDING DIVERSITY

Working together to embed a culture of diversity and inclusion in our Company, our employee groups described below promote dialogue, help define focus areas and develop solutions.

- **Diversity & Inclusion Synthesis Board** — Our CEO and leaders from regional D&I teams advance our D&I strategy.
- **Diversity & Inclusion teams** — Regionally organized teams meet regularly to address the needs of local employees.
- **Ralph Lauren Communities** — Ralph Lauren has five global, employee-led communities: RL Gender Parity, RL Pride, Generation RL, RL Mosaic and RL Wellness, Disability and Mental Health Community.

In FY20, we hosted nearly 100 global employee events to celebrate identity and heritage in our community. Thirty of those events took place during Pride Month. We brought our Pride campaign to customers with in-store messaging and themed products that raised funding for our nonprofit partner [Stonewall](#).

EDUCATION AND COMMUNICATION

Training at all levels ensures that our employees know how to contribute to a healthy and inclusive workplace culture where they feel safe and respected at work.

In FY20, all global employees, including our Board members, completed unconscious bias training. In addition, all design, production and merchant teams will receive cultural awareness training by FY21. We continued to host the D&I Salons, a learning opportunity for Ralph Lauren Executive Leaders to convene with global industry and diversity experts, with FY20 content focused on gender parity in fashion.

In FY21, we will expand our work with Parity.org by developing a road map for achieving gender parity in the retail and fashion industry. This will be published in a white paper and shared with industry peers who have joined our D&I Salons in the U.S. and Europe.

We will also launch a new unconscious bias training in FY21 on allyship and advocacy, focusing on inclusive behaviors.

WELLNESS, BENEFITS AND PAY EQUITY

We take a holistic view of well-being, attending to the physical, emotional, social and financial needs of employees and their families. Our support includes comprehensive employee resources, progressive benefits and competitive compensation.

In FY20, we launched an enhanced global wellness program, THRIVE, for Ralph Lauren employees. The resources available through THRIVE vary by region and include flexible work arrangements, sabbaticals, volunteer events, exercise and mindfulness classes and educational series. We continually review and improve our benefits package to ensure that we are meeting the needs of our employees.

We are committed to equal pay for equal work across our Company. We take a proactive approach to gender pay equity and continually monitor our compensation programs to ensure fairness. Our approach includes a biennial assessment with a human capital management firm to analyze employee compensation. Our FY20 assessment confirmed that our male and female employees based in the U.S. receive equal pay for equal work. In FY21, we will begin expanding the assessment to our global workforce.

Ralph Lauren also publishes an annual U.K. Gender Pay Gap report, in line with U.K. legislation. Our mean and median gender pay and bonus gaps remain substantially better than U.K. average figures.

GLOBAL PEOPLE PRACTICES

Our Global People Practices team upholds the Company's [Fair Treatment Policy](#), managing:

- **Workplace Compliance** — ensuring that employees and vendors comply with all workplace laws, regulations, and Company policies
- **Policies and Practices** — co-creating people-related policies, practices, and educating employees
- **Progressive Work Practices** — evolving policies and practices to give employees flexibility on where and how they work
- **Safe and Impartial Review** — handling all workplace issues in a confidential, consistent and fair manner

Our Fair Treatment Policy helps us maintain a professional and productive Ralph Lauren work environment that is free from discrimination and harassment. Anyone who is covered by the policy can raise a concern through our open door policy and the RL Global Hotline. We investigate, resolve and track concerns so we can prevent recurrence and implement proactive strategies throughout our organization.

Employees must adhere to our [Code of Business Conduct and Ethics](#) as well as our anti-bribery and anti-corruption policies. We provide training on these items annually to help employees make good decisions in their day-to-day work.

INVESTING IN ALL EMPLOYEES

Our success depends on how capable and committed our people are, so we invest in programs that make Ralph Lauren a great place to work. We engage employees through educational opportunities and feedback mechanisms which strengthen the Company from within.

Our FY20 pay equity assessment confirmed that our male and female employees based in the U.S. receive equal pay for equal work

LEARNING AND DEVELOPMENT

We've expanded our learning and development program to build skills and prepare for the future. In FY20, we opened our mentorship program to all employees and launched a tuition assistance fund to support continuing education. More than 760 employees participated in mentorship, four times as many as in the prior year. In FY20, we awarded \$197,000 through our new scholarship program to support employees enrolling in courses that build their professional skills.

All employees can accelerate their growth through the Ralph Lauren Learning Portal and in FY20, 92 percent completed a learning event through the platform. The portal is one way corporate employees can use their benefit of 10 hours of Company-sponsored learning time.

In FY20, we continued to scale our mentorship cohort programs, RUNWAY, UNLOCK and BESPOKE. The 12-month, in-person learning experiences are tailored for employees at different levels of the organization.

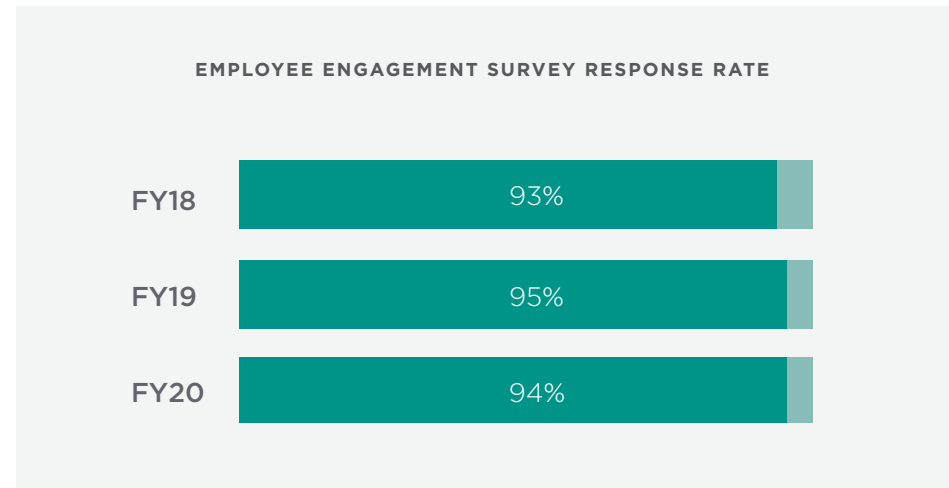
- **BESPOKE** — Available to leaders at the VP level and above, focused on developing new leadership skills
- **RUNWAY** — Available to people-managers, building communication and soft skills needed to successfully manage a team
- **UNLOCK** — Available to employees after one year at the Company, focused on ways to work within our culture and business

In FY20, more than 760 employees participated in a mentorship program, four times as many as in the prior year

ACTING ON FEEDBACK

In FY20, 94 percent of employees responded to our annual all employee survey. Through the survey, employees indicated that our top strengths include our strong consumer focus and our culture of diversity, inclusion and respect. Employees also indicated that they feel a strong commitment and pride in the Ralph Lauren brand. The survey highlighted areas for improvement, such as increasing career advancement opportunities and decision-making responsibilities for employees in lower-level positions within the organization.

Due to COVID-19, employees based in China, Hong Kong, Macau and Taiwan did not participate in the FY20 Employee Engagement survey. We will invite employees based in these countries to provide their feedback in FY21 for a total global view.





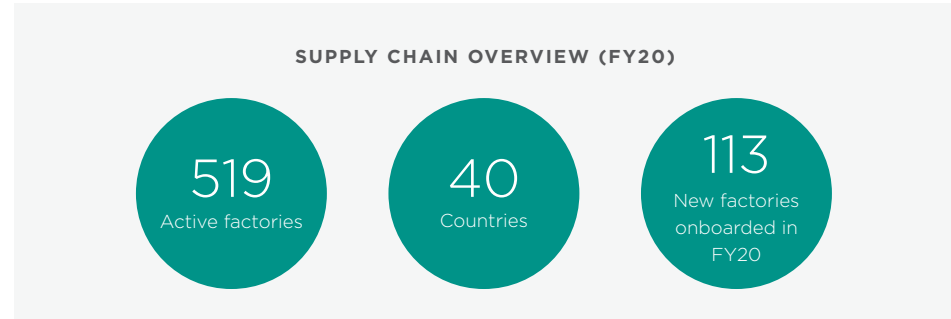
Worker Empowerment and Well-Being

Championing Workers

We are committed to conducting our global operations ethically and with respect for the dignity of all people who make our products. We aim to enrich the quality of work and life for all workers in our supply chain, ensuring that everyone has the opportunity to reach their full potential in a safe work environment.

We appreciate and value the talent and commitment of nearly half a million factory workers in our supply chain who make the timeless style and quality of Ralph Lauren pieces a reality. We believe our efforts to enhance the lives of workers must embody, protect and promote universally accepted human rights, freedoms and norms.

We continuously refine our supply chain over decades to deliver the technology, flexibility and quality we require while respecting worker rights. During FY20, 519 factories manufactured for us in 40 countries. These factories in turn received materials from tier 2 suppliers, such as textiles from mills and dye plants. As part of our Supplier Engagement Strategy, we maintain long-standing relationships with our strategic and key suppliers, enabling us to partner closely and transparently for the benefit of the people who make our garments.



We take our responsibility for ensuring a safe and healthy working environment very seriously and continually conduct our business according to high ethical and legal standards. Our [Operating Standards](#) are the basis for our relationship with suppliers, communicating our standards across legal and ethical matters, labor, animal welfare and environmental compliance. We regularly review and update the Standards to make sure they are current with emerging issues and expectations. Our Standards are available in 42 languages and must be displayed prominently in factory areas where workers congregate and in the languages understood by the workers. In FY20, we strengthened our Operating Standards to require factories to have formal grievance mechanisms in place.

All new suppliers must meet our standards before they receive an order from us. If we find a supplier in violation of our standards, they must adequately remediate the issue before any production orders are placed. We ensure that suppliers maintain compliance with our program of auditing, remediation, monitoring, supplier engagement and capability building.

BETTER LIFE PROGRAMS

In addition to ensuring compliance with our Operating Standards, we are also coordinating with factories to improve the overall well-being and career progression of workers through our Better Life programs. We aim to make these empowerment and life-skills programs available to 250,000 workers across our supply chain by 2030.



2030 GOAL

Make empowerment and life-skills programs available to 250,000 workers across our supply chain

EMPOWERING WOMEN

In FY20, we continued our work with BSR's (Business for Social Responsibility) HERproject™ in Bangladesh sponsoring the HERhealth program. The program provides information on women's health topics such as healthy eating, personal and menstrual hygiene and maternal health. In total, the HERproject has benefited about 20,000 workers to date in the supply chain, half of whom were women in the HERhealth program. In FY21, we plan to expand the HERhealth program to Cambodia. Our aim is for 40,000 workers to benefit from HERhealth by FY23.



In FY20, we partnered with the International Finance Corporation (IFC) and the International Labour Organisation (ILO) for their Gender Equality and Returns Program (GEAR), to support the achievement of our vision to increase the number of women in leadership positions in our factories by 25 percent by 2025.

GEAR tailors its program for women working in garment factories to progress from factory workers to supervisors. The program is run by the IFC in partnership with the ILO's Better Work program. They train female workers in the people management and technical skills necessary to be promoted to more supervisory roles. They also work with factory management and training managers to identify, promote and support high-potential workers.

We launched the GEAR program in selected Bangladesh factories at the end of FY20 and plan to roll it out to additional factories in the region throughout FY21.

As of FY20, the HERproject has benefited about 20,000 workers to date in the supply chain, half of whom were women in the HERhealth program

EXPANDING THE REACH OF BETTER LIFE

Our Better Life programs complement the monitoring, auditing and capability building we undertake through our social compliance program. In FY21, we will expand the Better Life programs by continuing to:

- Promote effective factory grievance mechanisms in all factories through our Operating Standards and also confirm a process of escalation that ensures our involvement and appropriate follow-up. This RL Grievance Mechanism Program for factory workers was started in FY20 and continues to expand factory by factory.
- Work with suppliers to develop transparent human resource systems for wages in their factories, and we will undertake several wage studies in our key sourcing regions to deepen our understanding of workers' pay levels and needs.



2023 GOAL

Roll out our Wage Management Strategy to all of our strategic and key suppliers to address fair and timely compensation for factory workers

In FY20, we created our wage management strategy to focus on developing human resource systems with suppliers that will support the opportunity to advance compensation for workers. As part of this work, we started in-depth wage analyses and data gathering in key sourcing countries. We will continue to engage factory management on the results of this assessment and next steps. We look forward to sharing more details about this strategy in coming years.

FOREIGN MIGRANT WORKER POLICY AND ERADICATING MODERN SLAVERY

Migrant and foreign migrant workers can be particularly vulnerable to exploitation and unfair employment terms. Because of this, we have a robust [Foreign Migrant Worker Policy](#) to secure fair employment terms for these groups, no matter which country they have traveled from to seek work.

Our Policy instructs suppliers to minimize the use of recruitment agents. When an agency must be used, it is forbidden from charging workers fees to obtain a job. If suppliers are using an agency, they must:

- Work with only one agency per country.
- Conduct background checks and due-diligence monitoring.
- Have service agreements with the agency that prohibit discrimination, fees and using subagents. The agreement must also grant the supplier the right to audit the agency.
- Make grievance mechanisms available to workers during recruitment with the agency.

Our social auditing protocol includes foreign migrant worker interviews to verify compliance with our Policy. In FY20, our monitoring identified issues with two factories in Taiwan, where the law permits agents to charge workers fees. Our Policy provides protection above the Taiwanese legal requirement, and we therefore took action to eliminate this practice at the two factories.

One factory has since stopped producing for us and was removed from our approved finished goods factory list. The second factory has changed its practices and is now paying the fees, so the workers are not charged. We will monitor compliance going forward and the factory's continued relationship with us will be contingent on full compliance.

We respect universally accepted human rights and assess our supply chain for risks including forced labor, human trafficking, deceptive recruiting and child labor. People exploited in these ways cannot refuse or cease work because of coercion, threats or deception and may also be deprived of personal freedom.

We have a long history of preventing and, in rare cases, remediating when necessary a wide range of issues in our supply chain, including forced labor, child labor and other human rights abuses. We strictly prohibit all such practices and have made modern slavery a zero-tolerance issue among other zero-tolerance issues discussed on page 38.

When we evaluate potential new factory partners, we undertake risk assessments as part of our social auditing program. If a potential issue is uncovered, that factory will not be approved until the issue is satisfactorily remediated. For current partners, if we identify and validate a noncompliance with our requirements for eradicating slavery or human trafficking, we will work with that supplier to make immediate changes; otherwise we will cease business relations.

We also fully support the efforts of a growing number of nongovernmental organizations and local and national governments to shed light on human trafficking, slavery and child labor in the supply chain.

SOCIAL COMPLIANCE PROGRAM

From the first day a factory starts work for us, our social compliance program seeks to protect the rights of workers. We monitor compliance with our Operating Standards through independent third-party audits together with audits conducted by our in-house team and assessments from Better Work. Our overall monitoring system is shown below.

Historically, our program has focused on tier 1 suppliers, factories and their direct subcontractors that provide us with finished goods. We plan to expand our monitoring of tier 2 suppliers in FY21 with a focus on key mills and raw material suppliers. We prioritize which facilities to audit based on risk assessments, including factors such as business volume, country and the associated supplier risk ratings.

ZERO-TOLERANCE ISSUES

Our Operating Standards identify 10 categories of zero-tolerance issues. We will not accept these in our supply chain and will de-list factories that do not rectify any instances identified during monitoring or through our grievance work.

- Pervasive nontransparent record keeping
- Not paying minimum wage
- Monetary fines
- Locked emergency exits
- Unauthorized subcontracting
- Forced labor / Human trafficking
- Child labor
- Abuse (physical, verbal)
- Harassment (including sexual harassment) and discrimination
- Bribery

SOCIAL COMPLIANCE PROGRAM AND BETTER WORK ASSESSMENTS



AUDIT FINDINGS

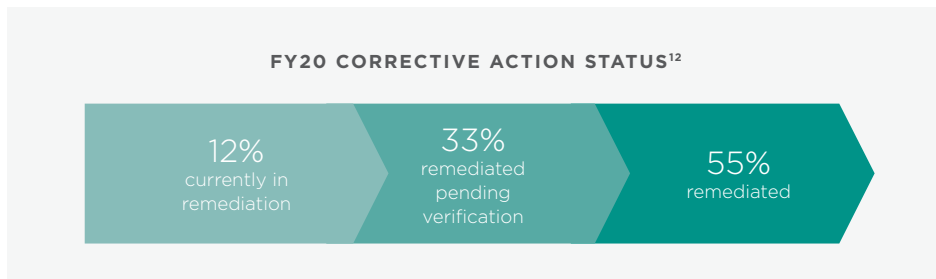
Seventy-five percent of factories supplying us were audited in FY20. We conducted a total of 466 audits between our tier 1 factories and subcontractors. Of these, 392 were at tier 1 factories and 74 at subcontractors. Independent third parties conducted 333 of the audits, Ralph Lauren conducted 48 and Better Work 85.

We also screened potential new suppliers with 106 initial on-site evaluations and 65 social audits. During the year, independent third-party remedial experts started nine long-term capability-building remediation programs to confirm that corrective action was implemented and to provide trainings and support where needed.

Audit/inspection type*	FY19	FY20
Initial on-site evaluations	144	106
Audits conducted by 3rd party	334	333
Audits conducted by Ralph Lauren	14	48
Audits conducted by Better Work	75	85
Percentage of total audits that were fully unannounced**	71%	72%

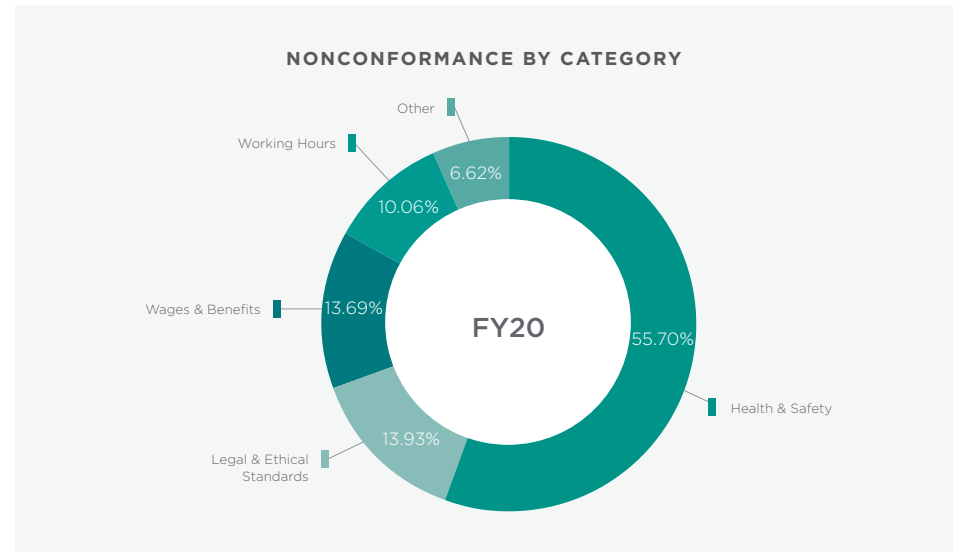
*We had to cease the majority of our auditing in the last quarter of FY20 due to COVID-19 restrictions.
 **Percentage excludes audits performed in countries where unannounced audits are not permissible as well as pre-approval audits.

Less than 1 percent of audit findings revealed zero-tolerance issues (34 of 4,501 total findings). Ten suppliers were deactivated due to their inability to remediate zero-tolerance or other Operating Standards requirements.



¹² Corrective action status is solely based on our third-party audits.

The most common categories of nonconformance were health and safety (55.7 percent), legal and ethical standards (13.9 percent), wages and benefits (13.7 percent) and working hours (10.1 percent). We review all nonconformance issues with the supplier and require that they be addressed in a timely manner. Every audit has corrective action plans that are later verified.

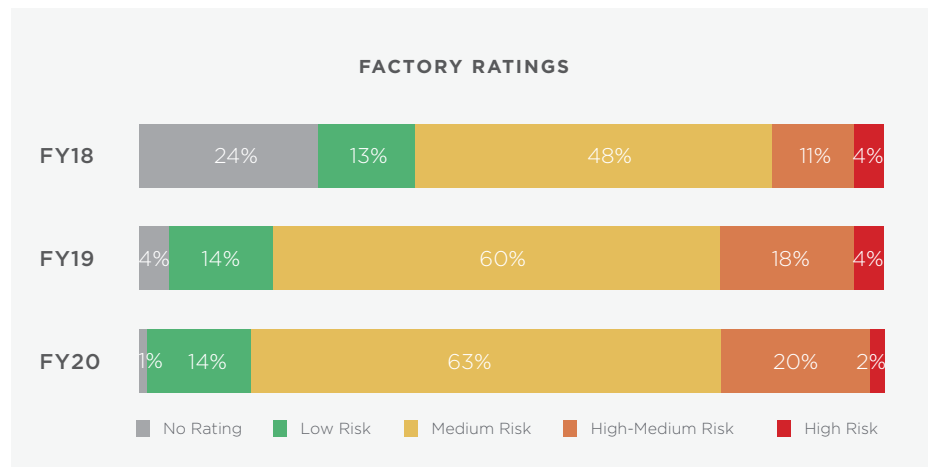


75 percent of factories supplying us were audited in FY20

A CULTURE OF OWNERSHIP AND IMPROVEMENT

Our social compliance program builds on the trust established with our suppliers. Our mutual aim is for factories to be responsible for managing worker and environmental issues and to embed systems for continuous improvement.

We expect to see progressive improvement in standards across our supply chain, implemented pro-actively by our suppliers. We create risk segments within our suppliers based on their audit results (see chart). This is part of the supplier scoring in our Supplier Engagement program and directly influences our sourcing and business decisions. In FY20, there was a reduction in the percentage of high risk and unrated factories.



LICENSEES

In addition to our own products, we license the Ralph Lauren brands to selected companies. All licensees are required to have social compliance programs and standards equivalent to our own. While these companies are outside the scope of our program, we assess licensee supplier compliance programs and review their audits to ensure that they meet our requirements. In FY20, 32 suppliers used around 346 factories to make licensed products.

CAPABILITY BUILDING

We targeted our capability building training events to help suppliers in regions where there is a shared compliance problem. In FY20, we held two summits for suppliers, targeting regional issues.

In Cambodia, The Better Factories program identified a pattern of repeat issues, where remediation was often temporary, and the same problem would recur in a subsequent audit. We held a full day summit for Cambodia suppliers to explain our social compliance and Operating Standards in detail and discuss strategies for improving and maintaining compliance at factories. We encouraged them to lower their rating by one full category within a year—factories failing to achieve this will be required to participate in additional remediation and capability training.

In Italy, we identified a potential risk of unauthorized subcontracting and the associated risk of forced labor among their immigrant workers. We immediately held a supplier summit to bring awareness and address the issue. We are currently working on an enhanced supplier mapping and verification process to ensure that there are no unauthorized facilities in our supply chain. This will ensure our presence in all of our subcontractor facilities and ability to monitor them on a regular basis.

CAPACITY ASSESSMENT

Achieving consistent working hours within acceptable limits remains a top issue in our industry. Excessive working hours have many causes, and we acknowledge that apparel brands like ours can be part of the problem but also part of the solution.

If we place orders at short notice with a factory, we can exceed its capacity to supply us on time. As a consequence, the factory might subcontract the work without our authorization—which we do not allow—or impose longer hours on its workers to fulfill our orders. To avoid this, we plan our orders early, providing enough time to review the capacities and capabilities that exist in our supply chain, as well as anticipate new capabilities that might be needed for upcoming seasons. We then confirm available capacities ensuring that product orders are allocated to the right manufacturing partners that possess the adequate time and skills.

To further our capacity assessments, we established an internal Manufacturing Excellence team that works closely with factories in implementing the best production control processes and quality systems, ultimately improving their efficiency and productivity.

We also use local teams, which are trained with Ralph Lauren quality standards, to ensure that no unauthorized subcontracting is used. When they recognize signs of overload they will partner with the capacity and merchandising teams to overcome the existing bottleneck and mitigate potential future problems.

We conduct quarterly capacity reviews that take into account our suppliers' social compliance scores, capacity, quality metrics and outstanding orders. Our sourcing team confirms supplier capacity to fulfill our orders by reviewing order placements on a weekly basis to ensure that commitments given to suppliers ahead of time are adhered to.

About This Report

Our report covers fiscal year 2020 (FY20), from March 31, 2019, to March 28, 2020.* The report is supported by our Standards Supplement, which includes two best-practice reporting indices: the Global Reporting Initiative and Sustainability Accounting Standards Board. For information on our Company and financial performance, please see our [2020 Annual Report](#) on Form 10-K filed with the Securities and Exchange Commission.

Throughout this report, references to Ralph Lauren, ourselves, we, our, us, and the Company refer to Ralph Lauren Corporation (RLC) and its subsidiaries, unless the context indicates otherwise.

This report contains goals, initiatives, and forward-looking statements (“Forward-Looking Statements”) based on current expectations. Various statements in this report or incorporated by reference in this report, in previously submitted and future filings by us with the Securities and Exchange Commission, in our press releases, and in oral statements made from time to time by us or on our behalf constitute Forward-Looking Statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-Looking Statements are based on current expectations and are indicated by words or phrases such as anticipate, outlook, estimate, expect, project, believe, envision, can, commit, will, aim, seek, goal, target, and similar words or phrases. These Forward-Looking Statements involve known and unknown risks, uncertainties, and other factors which may cause actual results, performance, or achievements to be materially different from the future results, performance, or achievements expressed in or implied by such Forward-Looking Statements. These Forward-Looking Statements are based largely on our expectations and judgments and are subject to a number of risks and uncertainties, many of which are unforeseeable and beyond our control, that could cause actual results, performance, or achievements to materially differ. These risks include, but are not limited to, those identified in the Company’s Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Form 8-K reports filed with the Securities and Exchange Commission. We undertake no obligation to publicly update or revise any Forward-Looking Statements, whether as a result of new information, future events, or otherwise.

The information indicated herein is subject to the precision of our data collection and analysis method, which is subject to future evolution and calibration. Such information is subject to additional uncertainties, as there are limitations inherent in our data collection and analysis method. While we consider information from external resources and consultants to be reliable, we do not assume responsibility for its accuracy. Additionally, all numbers referenced are subject to the quality and comprehensiveness of the reporting received by the Company from internal and external sources and therefore are approximate and/or estimated values. It is also important to note that the availability of data varies from section to section of this report.

* Availability of data varies with respect to fiscal or calendar year format. References to fiscal year will be represented as follows: Fiscal followed by the year; for example, Fiscal 2020. References to calendar year will be represented by the year alone; for example, 2020. In general, throughout this report, metrics and data are presented in a fiscal year format, and activities and events are presented in a calendar year format. We use a 52- to 53-week fiscal year ending on the Saturday closest to March 31. All references to Fiscal 2018 (FY18) represent the fiscal year ended March 31, 2018; Fiscal 2019 (FY19) represent the fiscal year ended March 30, 2019; references to Fiscal 2020 (FY20) represent the fiscal year ending March 28, 2020.



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