

A Message

from Our Chairman and Our CEO

Dear Stakeholders,

The past year will forever be associated with change and challenge, but it has also been a time to focus on what matters most. The convergence of the global pandemic, climate crisis and call to action to dismantle systemic racism has been a catalyst for businesses around the world to focus and accelerate their progress toward a more equitable and sustainable future.

At Ralph Lauren, our Purpose – *to inspire the dream of a better life through authenticity and timeless style* – anchors our journey to Design the Change; our teams drive our work forward; and we scale our impact through collaboration and partnership. Amid all the challenges we faced this year emerged a spirit of resilience, dedication and passion that has helped us to not only make progress on our goals and commitments, but accelerate our momentum.

As the world evolves, we will continue to listen, learn and challenge ourselves to lead and deliver on our Purpose in a way that creates value for all stakeholders. While there is still more work to be done, our impact can be seen through some of the strides we made this year, including:

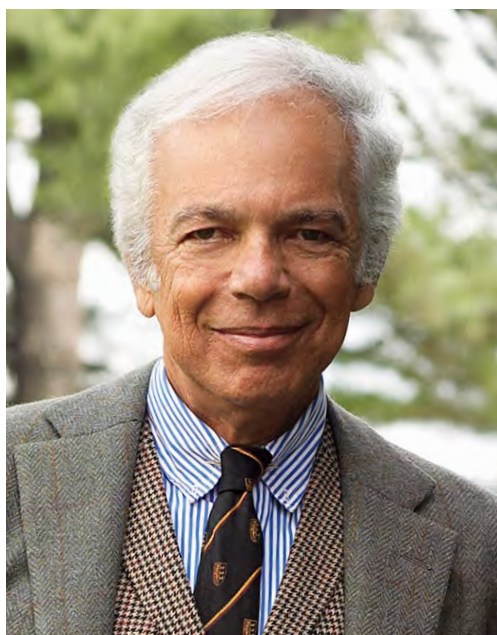
- Establishing a clear roadmap to achieve net zero greenhouse gas emissions by 2040;
- Taking action to address racial inequity, both inside our Company and as a voice and leader in our industry;
- Launching our comprehensive circularity strategy;
- Launching and open-sourcing the first phase of Color on Demand, a revolutionary platform that more sustainably dyes cotton;
- Increasing our overall transparency by sharing expanded workforce diversity data, climate impact data and factory disclosures; and
- Incorporating key ESG metrics into our executive remuneration, from Fiscal 2022 onwards.

For more than 50 years, the notion of timelessness has defined our business and our brand — and this reverence for things that last extends to our culture, our communities and the wider world. That is why we are committed to accelerating and sharing our progress – designing the change needed for a better tomorrow.



RALPH LAUREN

Executive Chairman and Chief Creative Officer



PATRICE LOUVET

President and Chief Executive Officer



Our Year in Review

Our purpose has always been to inspire the dream of a better life through authenticity and timeless style. This purpose is more relevant today than ever before as people all over the world reflect on the challenges of the past year and hope for a better future.

Through our citizenship and sustainability strategy, Design the Change, we met these challenges with action, making strides across each of our strategy pillars: Create Timeless Style, Protect the Environment and Champion Better Lives. Below is a snapshot of our FY21 progress.

FY21 Progress

CREATE TIMELESS STYLE

Circular strategy

was launched in FY21 to guide us in designing for circularity, establishing circular experiences for consumers and advancing a circular product economy

[Learn more](#)

Sustainable design goal achieved for FY21

with all design, production and merchant teams receiving training on sustainable, circular, inclusive and culturally aware design

[Learn more](#)

33% of units met our sustainable material criteria

on track to meet our goal of 100 percent sustainable key materials by 2025

[Learn more](#)

21.9 million

plastic bottles were repurposed through our use of recycled polyester fibers

[Learn more](#)

PROTECT THE ENVIRONMENT

Net zero goal

was established to achieve net zero emissions by 2040

[Learn more](#)

54% of our packaging volume

was recyclable, reusable or sustainably sourced, on track to meet our 2025 target of 100%

[Learn more](#)

85% of waste

was diverted from landfill at our owned distribution centers, on track to meet our target of zero waste to landfill at our distribution centers by 2023

[Learn more](#)

Color on Demand

platform was launched with the clear ambition to deliver the world's first scalable zero wastewater cotton dyeing system

[Learn more](#)

CHAMPION BETTER LIVES

D&I data transparency

expanded in FY21 as part of our ongoing efforts to drive diversity, inclusion and equity within our Company

[Learn more](#)

At least 20% of our Global Leadership Team

will be from underrepresented racial and ethnic groups by 2023

[Learn more](#)

\$20M in combined charitable contributions

from the Company and the Foundation

[Learn more](#)

19,800+ workers empowered

across our supply chain, bringing the total number of workers with access to our empowerment and life-skills programs to over 39,000

[Learn more](#)

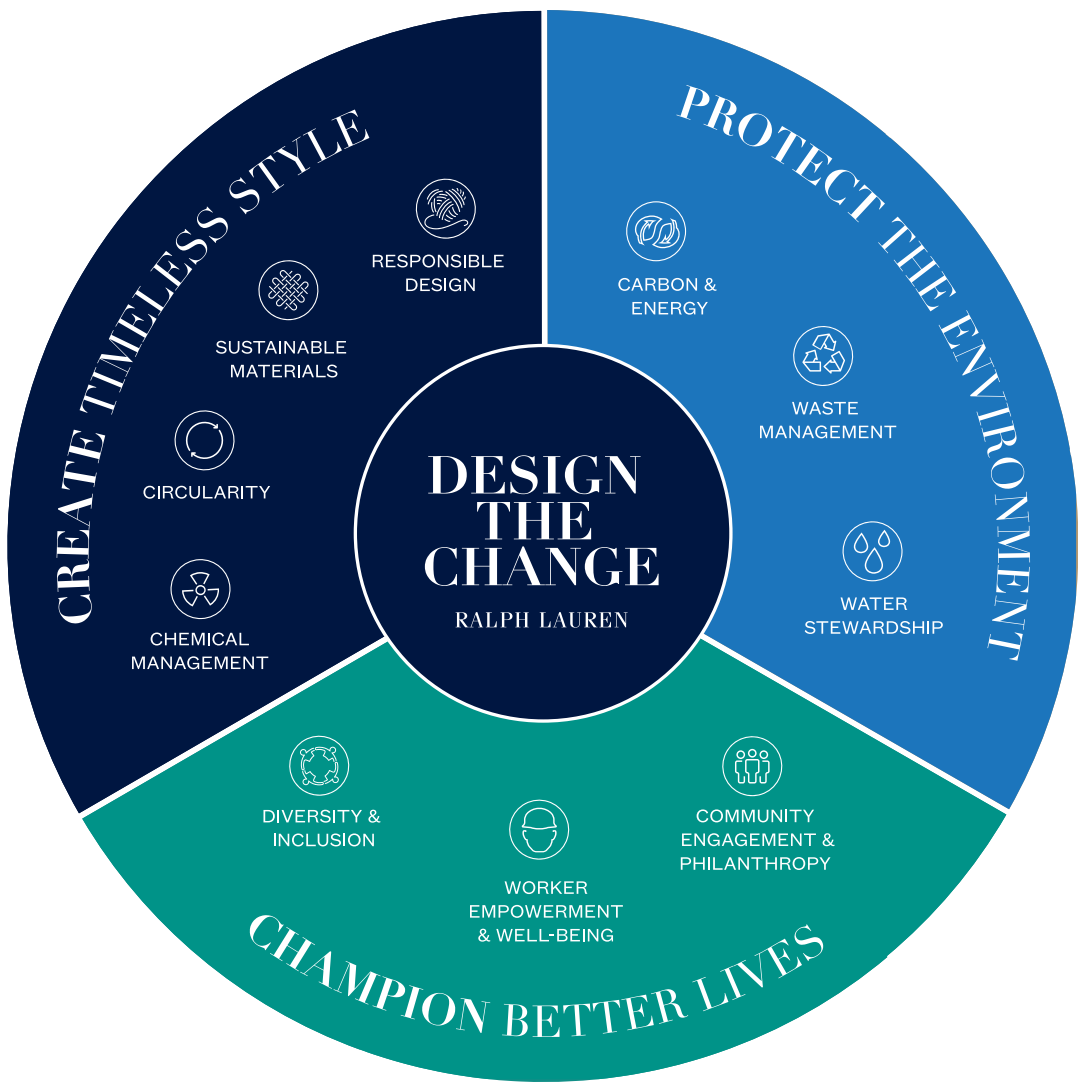
Design the Change

Design the Change is our strategy to create positive social and environmental impacts across our Company, our industry and society. Through this strategy, we're creating a more sustainable future in three key areas:

CREATE TIMELESS STYLE: Creating more sustainable products is a foundation for timeless, authentic, lasting style. We design our products with intention and circularity in mind, and we partner with our suppliers to source more sustainable materials without compromising quality.

PROTECT THE ENVIRONMENT: Through ongoing innovation and strong partnerships, we are working across our value chain to reduce our climate and water impacts and avoid waste.

CHAMPION BETTER LIVES: We aim to create a more equitable world and positively impact the lives of people in our workforce, communities and supply chain.









Our Global Citizenship & Sustainability Goals

We drive progress across our Design the Change pillars through a set of supporting goals. Internal working groups define and implement our work across each pillar. Below is a summary of our progress through FY21, with more details throughout relevant sections of the report.



CREATE TIMELESS STYLE

-  Five of our iconic products will be Cradle to Cradle Certified™ by 2025
NEW
-  Provide resale and recycling experiences for our consumers by 2022
NEW
-  Produce 100 percent recycled cotton products of high quality by 2025
NEW
-  All of our design, production and merchant teams will receive annual training on sustainable, circular, inclusive and culturally aware design
ACHIEVED FOR FY21
-  Achieve 100 percent sustainably sourced key materials by 2025
ON TRACK
-  100 percent of animal-derived materials will be certified to an animal welfare standard and traceable by 2025
ON TRACK
-  Eliminate the use of hazardous chemicals in our supply chain by 2025
ON TRACK
-  Achieve 100 percent wood substrates used in key elements of new store interiors FSC Certified, repurposed or recycled by 2025
NEW

PROTECT THE ENVIRONMENT

-  Achieve net zero greenhouse gas (GHG) emissions by 2040
NEW
-  Achieve a 30 percent reduction in absolute Scope 1, 2 and 3 GHG by 2030, compared to a FY20 baseline
ON TRACK
-  Power our owned and operated offices, distribution centers and stores with 100 percent renewable electricity by 2025
ON TRACK
-  Achieve at least a 20 percent reduction in total water use across our operations and value chain by 2025
ON TRACK
-  Achieve zero waste to landfill across our distribution centers by 2023
ON TRACK
-  Achieve 100 percent recyclable, reusable or sustainably sourced packaging materials by 2025
ON TRACK

CHAMPION BETTER LIVES

-  Have at least 20 percent of our Global Leadership Team be from underrepresented racial and ethnic groups by 2023
NEW
-  Achieve gender parity with equal representation in leadership positions at the VP level and above
ACHIEVED FOR FY21
-  Increase employee volunteer hours by 25 percent compared to a FY20 baseline by 2025
NEW
-  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
ON TRACK
-  Make empowerment and life-skills programs available to 250,000 workers across our supply chain by 2030
ON TRACK
-  Achieve a 25 percent increase of women in factory leadership that seeks to create a path to parity by 2025
ON TRACK

Global Citizenship & Sustainability Governance

Global Citizenship & Sustainability governance is integrated across all levels of our organization.

Our Board of Directors (the Board) is responsible for formal governance of Global Citizenship & Sustainability. The Board receives progress updates at least once a year and reviews our annual Global Citizenship & Sustainability Report. Various Board committees have additional responsibilities:

- The Nominating, Governance, Citizenship & Sustainability Committee oversees our environmental, social and governance (ESG) risks and opportunities. The committee receives quarterly updates; reviews initiatives, goals and policies; and makes recommendations to the Board on ESG matters. Each quarterly update includes a detailed analysis on a specific ESG topic.
- The Finance Committee and the Nominating Committee advise on the incorporation of goals into our corporate strategy and engagement of business initiatives that influence corporate citizenship and sustainability.
- The Audit Committee assesses ESG risks as part of its overall Enterprise Risk Management review.
- The Compensation Committee considers performance against Company ESG key performance indicators in their compensation decisions.

Our Global Citizenship & Sustainability Senior Steering Committee is chaired by our Chief Product and Sustainability Officer and includes leaders from across the Company. The committee meets monthly to prioritize our approach and allocate resources. Committee members also define, track and champion our citizenship and sustainability work, including diversity and inclusion, with their teams.

MATERIALITY AND STAKEHOLDER ENGAGEMENT

We regularly conduct materiality assessments to help identify and prioritize the citizenship and sustainability issues, risks and opportunities that matter most to our business and stakeholders. Our assessments are conducted by a third party and include extensive engagement with internal and external stakeholders, including employees, selected licensees, suppliers, partners, NGOs and consumers. Our most recent assessment, conducted in FY19, informed the development of our Design the Change strategy, including our priority material issues listed below and associated goals. Our next formal assessment will be conducted in FY22.

We also maintain ongoing stakeholder engagement throughout the year to inform strategies, priority issues and goals in-between our formal materiality assessments. We also communicate regularly with investors on environmental, social and governance issues, typically through the regular course of investor meetings or one-off meeting requests.

We invite the public to provide feedback on our sustainability program through GlobalCorporateCommunications@RalphLauren.com.

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

Creating more sustainable products is a foundation for timeless, authentic, lasting style. We design our products with intention and circularity in mind, and we partner with our suppliers to source more sustainable materials without compromising quality.

Responsible Design

Our Approach to Design

We commit to embedding sustainability, inclusivity and cultural awareness and celebration into the products and services we design.



ONGOING GOAL

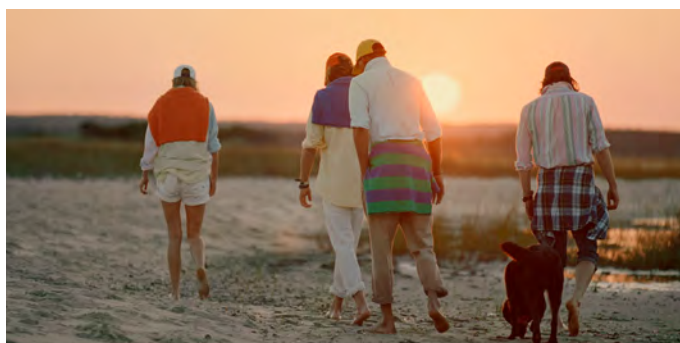
All of our design, production and merchant teams will receive annual training on sustainable, circular, inclusive and culturally aware design



ACHIEVED FOR FY21

We challenge ourselves to think differently about each stage of the design and development process. This helps us create innovative products with timelessness, authenticity and quality at their heart. In FY21, we launched our Design with Intent program, which aims to identify and pursue opportunities to be intentional and impactful with all that Ralph Lauren represents—from product inception to marketing and every point along the customer journey, including store design and e-commerce. Our Design with Intent committee, with more than 60 members globally, drives our work in this area by bringing together diverse voices to inform the choices we make and the stories we tell.

In FY21, we also rolled out e-learning on sustainable product design and cultural awareness to all our design, production and merchant teams globally, meeting our goal for FY21.



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 creates 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.

Our Cultural Awareness Guidelines define our approach. We update these annually and distribute them to all teams with a role in design, advertising and marketing. We support our teams to apply the guidelines in practice with our cultural awareness educational program; this program is mandatory as part of our new hire onboarding process for all creative, design, marketing and advertising teams. Existing teams receive annual training and special workshops to keep current in this space.

In FY21, we expanded our Cultural Awareness Advisory Council to support our organization's end-to-end process—from concept through to campaign—ensuring our creators have ongoing access to diverse expertise and insight. The Cultural Awareness Advisory Council is made up of 30 members—an international and diverse group of Ralph Lauren Corporation employees. Members include representatives from different teams around the world, such as Brand, Design, Marketing, Social and PR, Digital, Corporate Communications, D&I, RL Library and Legal. The Council also includes advisory members from the D&I Employee Resource Groups, providing guidance and feedback specific, but not limited to, multicultural experiences, race, ethnicity, gender, LGBTQIA+ and disability.

We seek external advice and input to help us respect and support the many sources of inspiration we represent through our brand. Our advisors include the Smithsonian National Museum of the American Indian and the Johns Hopkins Center for American Indian Health.

As a member of the [Nest](#) Coalition for Craft & Culture, a group of peers committed to engaging responsibly and creatively with the global handcraft community, we're working to convene a virtual event program focusing on capacity building and market access for U.S.-based Indigenous Artisans.

Circularity

Our Circular Strategy

We are committed to responsible design and sourcing principles to create more sustainable products that are worn, loved and made to last. Anchored in this commitment and in our long-standing vision of timeless style, in FY21 we launched a comprehensive circular strategy. The strategy will inform our product development and support more circular systems in our industry by designing out waste and pollution, keeping products and materials in use and regenerating natural systems.

Building on our current sustainability work, our new circularity strategy and associated targets will focus on three pillars:

DESIGN PRODUCTS FOR CIRCULARITY

We will review select iconic products—including best sellers such as polo shirts, chinos, denim and sweaters—for longevity and circularity using the holistic [Cradle to Cradle \(C2C\)](#) standard™. We will apply our learning to bring circular design principles to other key product categories in the future.



2025 GOAL

Five of our iconic products will be C2C Certified™

CREATE CIRCULAR CONSUMER EXPERIENCES

Building on the launch of our first subscription apparel rental initiative, [The Lauren Look](#), we will offer more circular experiences for consumers. We will expand our product offerings on re-commerce opportunities, increase recycling and upcycling options, as well as enhancing vintage selling capabilities.



2022 GOAL

Begin providing resale and recycling experiences for our consumers

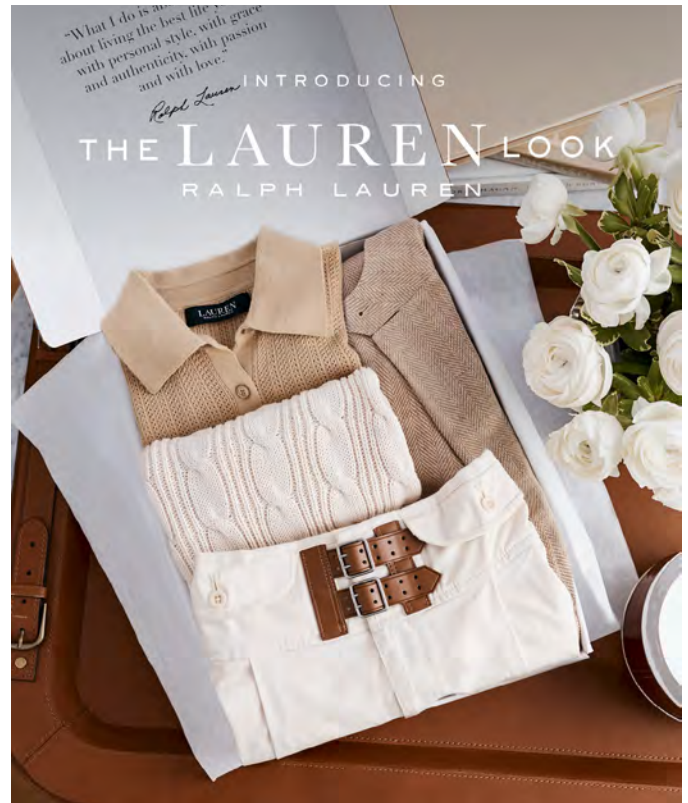
ADVANCE A CIRCULAR PRODUCT ECONOMY

To help our industry meaningfully shift from a linear to a circular product economy, we will continue to invest in scalable technologies that elevate the quality of recycled materials to match the quality and feel of virgin material. In FY21, we invested in [Natural Fiber Welding, Inc.](#), a leading sustainable material science start-up that is scaling a new industry standard for natural fiber recycling.



2025 GOAL

Produce 100 percent recycled cotton products of high quality



Sustainable Materials

We commit to using more materials in a way that results in positive social and environmental outcomes, protects biodiversity, advances animal welfare and continuously improves the traceability of our raw materials.



2025 GOAL

100 percent of our key materials¹ will be sustainably sourced by 2025



2025 GOAL

100 percent of animal-derived materials will be certified to an animal welfare standard and traceable by 2025

OUR KEY MATERIAL GOALS ARE:

- 100 percent sustainably sourced cotton by 2025
- 100 percent recycled polyester by 2025
- 100 percent Responsible Wool Standard certified or recycled wool by 2025
- 100 percent of viscose will be sourced and verified through CanopyStyle audits by 2025
- 100 percent of leather will be traceable and verified to animal welfare and land management standards, or covered by Impact Incentives and 100 percent of our tanned leather will be Leather Working Group certified by 2025
- 100 percent Responsible Down Standard or Traceable Down Standard certified down and feathers by 2023
- 100 percent Sustainable Fibre Alliance certified (or equivalent) or recycled cashmere by 2025

Our focus on quality and authenticity drives us to look for more sustainable raw materials—always with durability, craftsmanship and performance in mind. Our sustainable material strategy is driven by our ethos of creating positive environmental and social outcomes through the products we make. We continue to explore new innovations in material development that enable us to scale positive impacts.

We are increasingly evaluating how our material sourcing can address more complex social and environmental challenges. Preferred fiber certifications help drive best practices and verify sustainability claims. We recognize the importance of supporting fiber production that contributes to ecosystem functioning and soil health to support a sustainable and profitable fiber industry. A key aspect of our sustainable materials strategy is to grow the adoption of regenerative agricultural practices in our leather and cotton supply chains through partnerships and direct-to-grower sourcing models.

COMMITTING TO NATURE

We are committed to deploying nature-based solutions through our business operations and product supply chains. To do this, engaging in collective industry action will be essential. We are working with the [G7 Fashion Pact](#) to restore biodiversity, participating in [Textile Exchange's](#) biodiversity benchmark as we develop a biodiversity strategy and setting commitments to science-based targets for nature and zero deforestation. Nature-based solutions are also tightly tied to our raw materials sourcing and net zero goals as we look to accelerate the adoption of regeneratively grown materials and further support farmers, who are drawing down carbon, through carbon credits.

Guided by our sustainable raw material road map, we are working toward our 2025 goals for overall sourcing and specific material types.

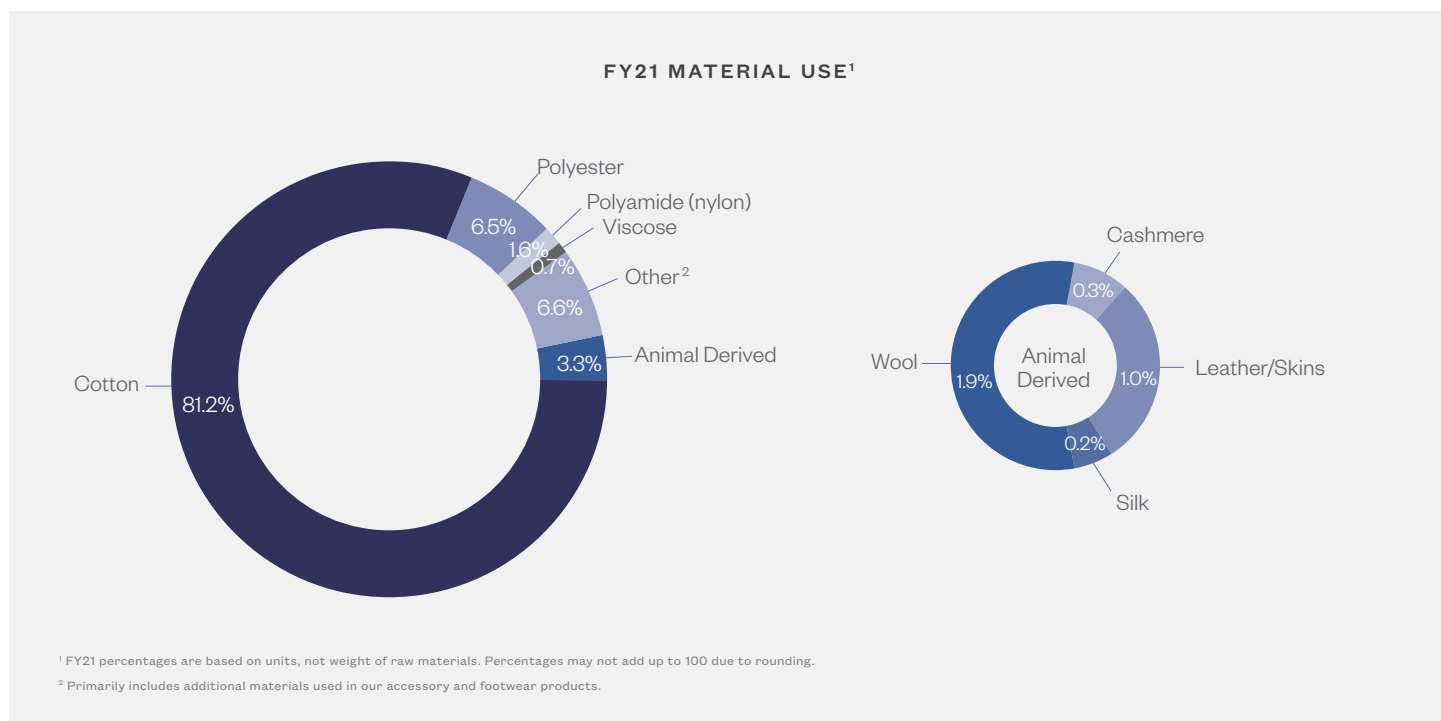
In FY21, we continued to increase transparency and traceability of our material use by:

- Beginning to map our supply chain to enable visibility of material origins across each step of the textile and garment supply chain to inform a robust sourcing strategy, provide assurance of sustainability impacts and mitigate risk.
- Developing systems to measure the total volume (by weight) of sustainable materials as a portion of total raw materials sourced, which will enable us to systematically track their sustainable attributes.

In FY21, 33 percent of our units produced met our sustainable material criteria—up from 11 percent in FY20.

¹ Key materials include cotton, polyester, viscose, leather, wool, cashmere and down.

Progress Toward More Sustainable Materials



COTTON

Cotton accounts for more than 80 percent of our total material use. We are committed to sourcing cotton in a manner that prioritizes soil health, utilizes water efficiently, minimizes chemical inputs and supports workers' rights and farmers' profitability.

Aligned with our FY21 goal, we continued to transition core products—such as polo shirts, knits, chinos and shirts—to sustainably sourced cotton. In FY21, we sourced more than 9,000 metric tons of cotton lint sourced as Better Cotton, a 42 percent increase from last year. As a Better Cotton Initiative member, we support its mission to address the environmental, social and economic issues associated with growing cotton.

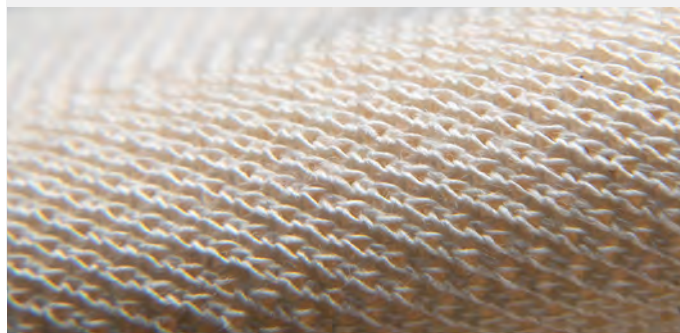
Organic cotton fiber makes up less than 1 percent of cotton grown annually. Farmers who want to switch from conventional to certified organic farming face financial challenges and other barriers and must use organic farming methods for a two- to three-year transitional period before achieving certification. Toward our 2025 goal, we will introduce transitional cotton into our collections to support farmers during this period and to help drive the growth of organic cotton supply globally.

We also aim to increase the use of U.S.-grown cotton in our products. To support increased sourcing of sustainably grown cotton from the U.S., we are working at the industry and farm levels to support healthy soils through regenerative practices, such as cover crops and reduced tillage, while increasing farmer profitability.

HARNESSING INNOVATION TO SCALE MORE SUSTAINABLE COTTON

As part of our new circular strategy, we are working to scale technologies that will elevate the quality of recycled materials to match that of virgin material.

For example, through our investment in [Natural Fiber Welding, Inc.](#), in FY22 we will launch first-of-its-kind performance apparel utilizing Clarus cotton yarn. Clarus is made using an innovative process that welds short fibers into longer durable fibers to create high performance materials with the drying power and breathability often associated with synthetics.



POLYESTER AND NYLON

We are working to phase out virgin sources of polyester and nylon and switch to recycled options or natural fibers.

Polyester is a synthetic material produced from fossil fuels. It currently accounts for 6.5 percent of our total material use, and in FY21, 23 percent of our polyester was recycled.

In FY21, we:

- Focused on transitioning outerwear and swimwear lines to recycled polyester, including some swimwear previously made from nylon.
- Transitioned the Polo Pony logo to recycled thread. In FY21, we used more than 432 million meters of recycled thread.
- Started mapping our polyester use to identify opportunities to reduce and replace it with innovative alternatives.

We are also reducing plastic waste through the use of recycled polyester. By 2025, we commit to using at least 170 million recycled plastic bottles in our products and packaging. In FY21, we repurposed more than 21.9 million recycled bottles—including 1.8 million through our partnership with First Mile™ to produce The Earth Polo.² To date, we have used more than 40 million bottles.

In FY21, we continued transitioning to recycled nylon for some of our outerwear lines. Most of our Polo outerwear styles now use recycled materials. In select RLX outerwear, we use Econyl®—a 100 percent recycled nylon made from pre- and post-consumer waste.



² Data is provided by our third-party partners and suppliers.

VISCOSE

Viscose is a wood-based fiber that, when not sourced responsibly, has been connected to the deforestation of ancient and endangered forests. We are committed to sustainable sourcing of viscose, as described in our [Forest Protection Policy](#).

In FY21, viscose made up less than 1 percent of our material use. Of the viscose we used, 10 percent has been verified as sourced from manufacturers who have been deemed low-risk according to [Canopy's](#) annual Hot Button Report. We aim to increase this percentage by improving the visibility of our viscose supply chain. In FY21, we began mapping our viscose fiber manufacturers, and in FY22, we will engage the viscose suppliers who have not signed on to CanopyStyle and encourage them to participate in the third-party audit as we prioritize sourcing from low-risk suppliers, working toward our goal of having 100 percent of our viscose sustainably sourced and verified through CanopyStyle audits by 2025.

ANIMAL-DERIVED MATERIALS

Around 3 percent of our total material use comes from animal-derived sources, most of which are by-products from other industries. We are committed to the well-being and respectful treatment of animals, as described in our [Animal Welfare Policy](#), which includes our approach to sourcing exotic skins and our long-standing ban on the use of fur. In FY21, we updated our policy with an increased focus on traceability.

We recognize that leather, wool and cashmere production have the potential to contribute to negative or positive environmental outcomes. We are determined to source these materials sustainably, with low-stress animal handling and regenerative grazing practices to enhance ecosystem functioning and productivity. We evaluate non-animal alternatives where these materials align with our sustainability principles. We are also members of the [Southeast Asian Reptile Conservation Alliance](#), which advocates for a reptile skin trade that maintains wild reptile populations, supports local and national economies and promotes animal welfare principles.

LEATHER

In calendar year 2020, 53 percent of our leather manufacturers were certified by the Leather Working Group (LWG), accounting for 89 percent of our total leather use.

To support more sustainable leather sourcing, we engage in the [Leather Impact Accelerator](#)—a program dedicated to aligning members of the leather value chain to achieve meaningful sustainable impacts. We advanced our work on transparency and traceability in FY21 by benchmarking all the tanneries in our supply chain and joining the LWG transparency task force.

To support regenerative and holistic land management, we are researching and developing cattle and bison leather options through a direct sourcing model.

DOWN

One hundred percent of the down sourced for products manufactured by Ralph Lauren suppliers is certified by the Responsible Down Standard (RDS) or the Traceable Down Standard (TDS).

We also use Primaloft's® ThermoPlume® down alternative—made from recycled plastic bottles—in select outerwear, such as our custom packable jacket. In FY21, we repurposed 3.6 million plastic bottles using this technology.



CASHMERE

We finalized our cashmere strategy in FY21 and became a member of the Sustainable Fibre Alliance (SFA). Our strategy will initially focus on sourcing preferred fiber (including SFA certified cashmere) to address animal welfare and land management risks and recycled cashmere to minimize waste and reduce overall environmental impact from virgin production. We will engage in project-based initiatives in cashmere-growing regions to support systemic change and grassland restoration.



WOOL

In FY21, we prioritized the use of existing wool fabric and yarn stocks instead of purchasing new. As a result, we had limited progress toward our Responsible Wool Standard (RWS) certified fiber goal. Although our use of RWS certified wool was limited, we took steps to accelerate its future use by incorporating recycled wool into FY22 outerwear garments and starting to source yarns made with RWS certified wool for select core sweater programs.

Sustainable Spaces

We are committed to designing and building Ralph Lauren stores with materials that minimize environmental impact and maximize occupant health.



2025 GOAL

100 percent of the wood substrates used in key elements of new store interiors will be FSC certified, repurposed or recycled

In FY21, we began formalizing our approach to creating more sustainable spaces in our stores. Our goal is to ensure all the key elements in our new store interiors—including fixtures, displays, flooring, hangers and signage—are sustainably sourced and made from materials that minimize environmental impact and maximize occupant health.

We base our approach on guidelines from leading green building and sourcing organizations, including the U.S. Green Building Council (USGBC) and the Forest Stewardship Council (FSC).

Our initial focus is on wood substrates (solids, veneers and composites). Consistent with our Forest Protection Policy, we set a 2025 goal for 100 percent of the wood substrates used in key elements of new store interiors to be FSC certified, repurposed or recycled. We have started to track the percentage of key wood suppliers³ for store design and construction that meet this standard.

As our work on sustainable spaces progresses, we will assess other key areas for future focus and goal development.



³Our key suppliers are those with whom we reach a specific annual spend threshold, and this varies by supplier type.

Chemical Management

We monitor and reduce hazardous chemical use and discharge and we are working to eliminate all hazardous chemicals from our product manufacturing.



2025 GOAL

Eliminate the use of hazardous chemicals in our supply chain

We have a responsibility to ensure the chemicals used to make our products are safe for people and the environment. Our [Sustainable Chemical Management Policy](#) guides our approach to assessing the potential impacts of the chemicals used in our supply chain and to partnering with our suppliers on responsible chemical management.

The responsible use of chemicals is an industrywide challenge that requires collaboration between companies, their suppliers and third parties. As Friends of the [Zero Discharge of Hazardous Chemicals](#) (ZDHC) Programme, we collaborate with peers and experts to eliminate the use and discharge of hazardous chemicals across the apparel supply chain.

We adopted the ZDHC Manufacturing Restricted Substances List (MRSL) in FY20 so our suppliers can track and report on all chemicals used to develop and manufacture our products and to prioritize harmful chemicals for removal. In FY21, we shared the MRSL and broader guidance on chemical management with all our suppliers. We also rolled out chemical inventory management tools with our strategic and key wet processing facilities to increase visibility of chemical usage and move toward full MRSL conformance.

At the end of FY21, we gained visibility of chemical usage and MRSL conformance status of strategic and key facilities and top mills, representing approximately 31 percent of our supply chain spend. Of the chemicals reported, 59 percent conform with the ZDHC MRSL. We are working closely with our suppliers to achieve full conformance by 2025. We also require suppliers with wet processing facilities to test wastewater against ZDHC wastewater guidelines and share results on the [ZDHC Gateway](#) portal. Seventy-two percent of the facilities that tested comply with the ZDHC requirement, and out of the substances screened, 99.8 percent comply with the ZDHC standard.

In FY21, we assessed our suppliers' chemical management, along with other environmental impact data, through the [Sustainable Apparel Coalition](#) Higg Index Facility Environment Module. In FY22, third-party-verified results of the Facility Environment Module (FEM) assessment, combined with supplier conformance to the ZDHC MRSL and the wastewater standards, will be incorporated into our supplier performance evaluation scorecard and will help inform business decisions. Read more about our work to align our suppliers to Higg in [Supplier Engagement](#).

As part of our commitment to phase out all chemicals of concern from our supply chain, we continue to prioritize specific chemicals for elimination. In FY21, we began phasing out the use of per- and polyfluoroalkyl substances (PFASs)-based coating in our water-repellent fabrics, targeting full elimination by FY22. We also aim to phase out polyvinyl chloride (PVC) by the end of FY22, which will contribute to the phase out of phthalates, the plasticizers commonly used to make PVC.

WORKING TOWARD MORE SUSTAINABLE DENIM

Conventional denim production requires significant water consumption and the use of potentially harmful chemicals to grow cotton and to dye and wash finished products.

In FY21, we continued transitioning to a more sustainable denim production, including increasing recycled cotton and recycled polyester content in our jeans and working to verify the origin of select cotton used for denim. In FY21, suppliers representing 47 percent of our denim business spend have started to implement new processes, reducing:

- [Water-intensive chemical](#) use in the production of our core denim products.
- The use of potassium permanganate to wash our denim, with the aim of phasing it out by the end of FY22.
- The use of pumice stones for our core denim washes by 80 percent, with the goal of fully eliminating pumice stones by 2025.

We are also exploring the use of natural indigo dye to replace current synthetic options. In FY21, we partnered with Stoney Creek Farm in Tennessee and our supplier, Cone Mills, to test a natural plant-based indigo dye on a men's Polo style. Natural indigo production enables farmers to diversify crops and support regenerative, sustainable agriculture. This bio-based alternative to synthetic petroleum-based indigo also has the benefit of predictable and consistent coloring.



Protect the Environment

Through ongoing innovation and strong partnerships, we are working across our value chain to reduce our climate and water impacts and avoid waste.

Carbon & Energy

We are committed to playing our part to address the climate crisis by reducing greenhouse gas emissions across our value chain and investing in credible emission removals.

Our Climate Strategy



2040 GOAL

Achieve net zero greenhouse gas emissions by 2040

Today we face a climate crisis. As part of our commitment to the climate goals set forth in the Paris Agreement, we know ambitious near-term action to decarbonize our operations and value chain should be matched with long-term ambition. In June 2020, we set a 2030 goal to reduce greenhouse gas (GHG) emissions in line with the global reductions needed to limit average temperature rise to 1.5 degrees Celsius. We are now looking beyond 2030 and beyond the reductions we can achieve across our own value chain to achieve net zero GHG emissions by 2040. As part of this strategy, we will begin to scale investment in carbon removals in FY22, with plans to increase those removals through 2040 and maintain net zero GHG emissions thereafter.



2030 GOAL

Reduce absolute scope 1, 2 and 3 GHG emissions by 30 percent by 2030 from a FY20 base year. As part of this goal, Ralph Lauren commits to sourcing 100 percent renewable electricity by 2025.

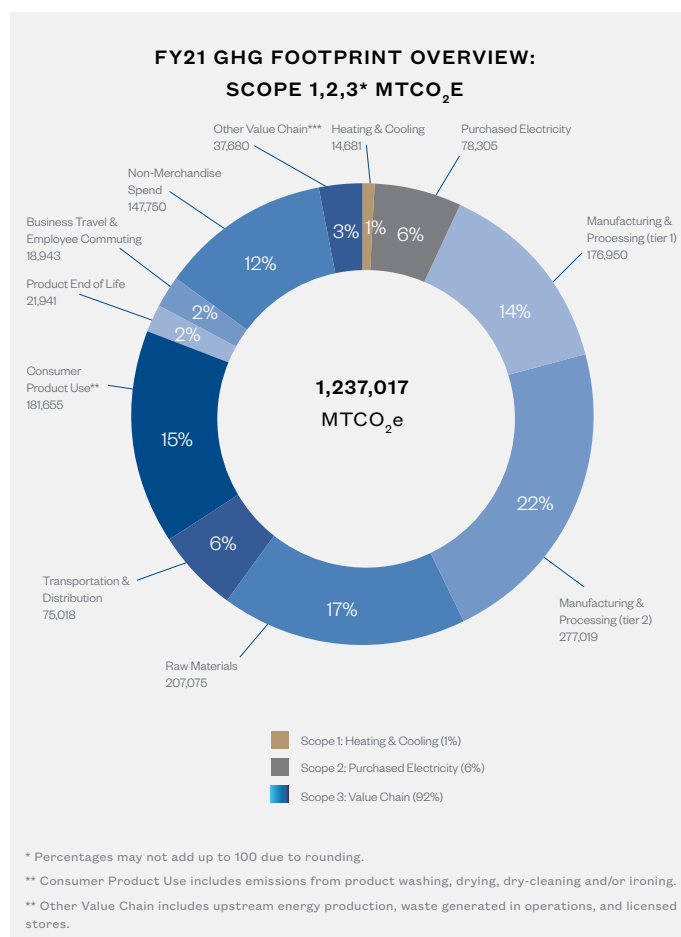
Our 2030 GHG reduction goal was approved by the Science Based Targets initiative (SBTi) and we have aligned our net zero strategy with the SBTi's [Foundations for Net-Zero Target Setting](#). For details on our climate strategy and net zero target, see Ralph Lauren's [Net-Zero Commitment](#).

We are developing an action plan to help us reach these targets, with a focus on:

- Achieving 100 percent renewable electricity use in our owned and operated facilities.
- Reducing emissions throughout our supply chain, particularly in the areas of raw material sourcing, manufacturing and garment finishing processes.

Tackling the complex issue of climate change and truly driving sustainable change requires partnership. We are signatories to We Are Still In, the Business Ambition for 1.5°C Campaign, the UN Fashion Industry Charter for Climate Action, the G7 Fashion Pact and RE100. In FY21, we added our support to the [America is All In](#) policy statement, joining thousands of U.S. communities, businesses and institutions calling for, and committing to, a clean recovery in the wake of COVID-19.

Our Carbon Footprint



Carbon & Energy: Our Operations

RENEWABLE ENERGY



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

Moving to 100 percent renewable electricity for our owned and operated facilities is essential to meeting our Scope 1 and 2 emissions reduction goal.

In FY21, 6 percent of electricity used in our operations was from renewable sources, such as wind power, compared with 2 percent in FY20. This improvement resulted from increased renewable energy attribute certificate purchases in North America and Europe.

To drive more rapid progress toward our 2030 goal, we adjusted our renewables strategy in FY21 to focus on virtual power purchase agreements (VPPA) in North America, while also seeking opportunities to support community solar projects close to the communities where we operate. For any remaining renewable electricity needs, we will source renewable energy credits (RECs) and equivalent certificates in Europe and Asia. We expect to sign our first VPPA in FY22.

We are members of [RE100](#)—a global group of influential businesses committed to achieving 100 percent renewable energy—and we align our renewable sourcing with RE100's new market boundary criteria. In FY21, we joined the [Renewable Energy Buyers Alliance](#) and signed the [Energy Buyer Federal Clean Energy Policy statement](#), which calls upon the federal government to transition to zero-carbon energy.

ENERGY EFFICIENCY

We continue to improve the energy efficiency of our stores and offices. We are focused on reducing energy-intensive components like lighting, heating and cooling through energy management systems and by installing more efficient technology.

In FY21, we retrofitted 76 stores in North America, Europe and Asia to use energy-efficient LED lighting and installed LED lighting in an additional 61 new stores. By the end of FY22, all of our retail stores in Europe will be equipped with efficient lighting. In FY21, our stores consumed 173,220 MWh of energy and their carbon intensity was 0.012 MTCO₂e/sq ft—a 16 percent decrease compared with FY20.

In FY22, we will begin to deploy new energy management systems at retail stores in North America. This will allow us to more accurately track energy use and adjust our lighting, heating and cooling for greater efficiency.

Carbon Footprint (Scope 1, 2 and 3) (MTCO ₂ e) ¹		
	FY20 ²	FY21
Total Emissions	1,861,736	1,237,017
Scope 1 Emissions	16,248	14,681
Scope 2 Emissions	90,380	78,305
Scope 3 Emissions	1,755,107	1,144,031
Carbon Intensity (MTCO ₂ e/\$ million revenue)	302.24	281.09

¹We 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 [ESG Supplement](#).

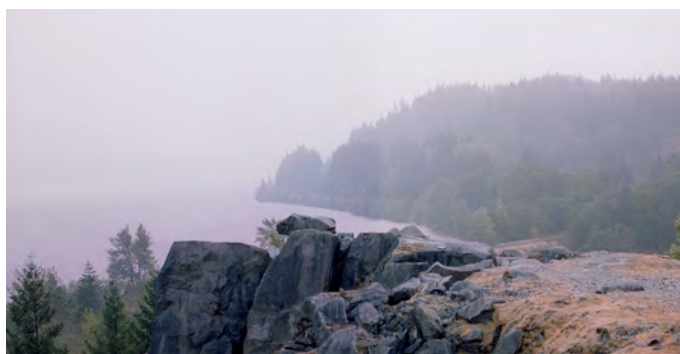
² Our FY20 carbon footprint has been updated since the original release of our FY20 Global Citizenship & Sustainability Report to reflect improved data methodology, including corrected electricity consumption at one of our distribution centers, more accurate estimates of manufacturing emissions and a more complete estimation of fabric mill emissions.

Since improving our calculation methodology last year, we began tracking progress toward our 2030 goal by measuring the carbon footprint of our entire value chain. Our Scope 3 emissions accounted for 92 percent of our total footprint in FY21, with Scope 1 and 2 accounting for the remainder.

Our Scope 1 and 2 carbon footprints consist mainly of emissions from electricity and fuels for heating and cooling the facilities in our direct operations, plus a smaller portion from refrigerant emissions. In FY21, our operational energy consumption decreased to 260,247 MWh, which resulted in 92,986 MTCO₂e. The energy intensity of our owned and operated stores was 32.1 kWh/sq ft.

Our Scope 3 carbon footprint consists of indirect emissions from our global supply chain. In FY21, our total Scope 3 emissions decreased to 1,144,031 MTCO₂e.

The evolving situation surrounding COVID-19 and ongoing high level of uncertainty has led to business disruptions that are reflected in our overall carbon footprint. Overall, our absolute emissions decreased by 34 percent in FY21. These changes are driven by production volumes decreasing by over 30 percent compared to FY20, which contributes significantly to our Scope 3 emissions from manufacturing and raw materials. We remain committed to implementing our GHG action plan for achieving and maintaining a 30 percent reduction in our carbon footprint by 2030. More detail on our carbon footprint is available in our [ESG Supplement](#).



Carbon & Energy: Our Supply Chain

Activities in our supply chain are the greatest contributors to our carbon footprint. We are working across materials sourcing, manufacturing and distribution to reduce our GHG emissions. Our next step is to integrate strategic road maps for these key focus areas into an overall strategy for reducing our supply chain carbon footprint.

RAW MATERIALS

Our strategy for reducing emissions from our raw materials focuses on switching to preferred fibers that result in fewer emissions than those that are conventionally grown. We are evaluating our fiber portfolio and creating annual preferred fiber usage goals. We aim to increase our use of recycled materials and fibers grown using regenerative land management practices, which will have multiple benefits for carbon sequestration, biodiversity and ecosystem functioning. Read more in [Sustainable Materials](#).

MANUFACTURING & PROCESSING

In FY21, we gathered environmental impact data, including energy and emissions, from our strategic and key suppliers through the Sustainable Apparel Coalition's Higg Index Facility Environment Module. Results from this assessment are shared in [Supplier Engagement](#).

In FY21, five of the largest fabric mills in our supply chain continued their journey through the Apparel Impact Institute (All) Mill/Impact program, which focuses on achieving sustainable reductions to mill carbon, water and chemical footprints. All five mills completed on-site expert visits to identify efficiency improvement opportunities, which they will begin implementing to realize carbon reductions.

Our next step is to expand engagement with our suppliers through collective actions and strategic programs that drive emissions reductions in manufacturing facilities, aligned with our science-based target.

In FY21, we also made progress reducing transportation emissions for raw materials and manufacturing by developing local-to-local supply chains. We are working to consolidate our supply chain, with a goal for [80 percent of our business to be with strategic and key suppliers by 2025](#).

TRANSPORTATION & DISTRIBUTION

Our Scope 3 footprint includes emissions from product transport, such as train, ship and air freight. To mitigate cost and environmental impact, we prioritize efficiency when choosing how to transport products to our distribution centers. We only allow vendors to deliver products by air in rare circumstances, such as when production does not meet delivery deadlines and there is a risk to keeping our promise to our customers.

We are signatories to the Ocean Conservancy Arctic Shipping Pledge, which commits us not to hire carriers to ship our products through Arctic Trans-shipment Routes. And we engage with Clean Cargo, a BSR collaboration for sustainable transportation, and the U.S. Environmental Protection Agency SmartWay program on efficient logistics.

Air Freight ¹			
	FY19	FY20	FY21
Air Freight (% of shipments)	5.8%	3.8%	6.7%

¹Inbound shipment from factory to global point-of-receipt managed directly by Ralph Lauren.

In FY21, air freight managed directly by Ralph Lauren was 6.7 percent compared with 3.8 percent in FY20. This increase was due to a combination of factors, including efforts not to buy ahead and create excess stock and time constraints linked to factory closures or delays as a result of COVID-19. In FY21, vendor-managed air accounted for 2.4 percent of total shipments, compared with 3.8 percent in FY20.

From FY22, our logistics provider selection process will include a sustainability scorecard that measures candidates' sustainability practices—from the presence of a company sustainability strategy to performance measurement and continuous improvement plans.



Water Stewardship

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

Our Water Stewardship Strategy

We take a holistic approach to water stewardship — covering our value chain and beyond.

CONSERVATION

Safeguard and preserve water resources where we operate through contextual water targets and collective action program implementation in priority geographies with high water stress.

COTTON

Sustainably source cotton and accelerate the adoption of regenerative farming practices.

COMMUNITY

Partner with organizations focused on watershed health and community WASH (Water, Sanitation and Hygiene) solutions.



2025 GOAL

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

Freshwater is an essential resource for people and wildlife, and a foundation for healthy ecosystems and thriving economies. It's also a resource that the apparel industry is heavily reliant on—from growing cotton to dyeing and washing fabric. Our approach to water stewardship includes actions that address overall use and quality, as well as protecting watersheds and ensuring access.

CONSERVATION

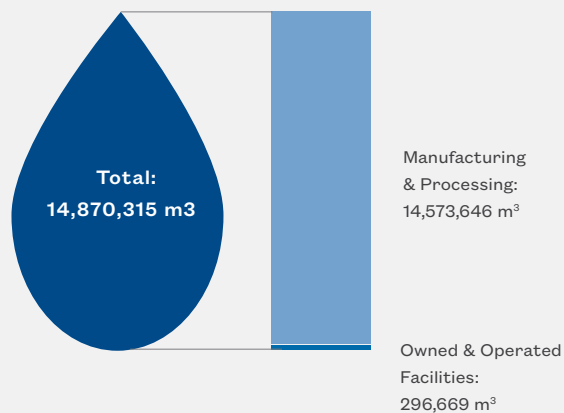
In FY21, we continued to collaborate with the World Wildlife Fund (WWF) to advance our work in this area and set a comprehensive strategy for water stewardship and water use reductions in our value chain. We analyzed our value chain through the WWF Water Risk Filter to map key areas of water risk and develop a water footprint. The analysis also identified opportunities for watershed conservation, reduced water consumption and improved community access to water.

Our goal to reduce water use by at least 20 percent by 2025 relates to manufacturing and processing in our supply chain and water use in our owned and operated facilities, compared to a FY20 baseline of 14,870,315 m³. In FY21, our footprint was 9,661,765 m³—a 34 percent reduction compared to FY20. This decrease was primarily driven by COVID-19-related business impacts, such as production volumes decreasing by over 30 percent compared to FY20, which contributes significantly to our supply chain water consumption. More details on our water footprint is available in our [ESG Supplement](#).

In our manufacturing supply chain, we focus on improving water use efficiency while also considering the shared basin-level water needs where our suppliers' fabric mills, factories and laundries are located.

We are setting contextual water targets to better align our reduction goal with surrounding water challenges. In priority water-stressed locations, we are contributing to collective action projects with WWF and local partnerships and experts to scale water use assessments and reduction strategies.

OUR FY20 WATER FOOTPRINT



COTTON

As part of our water stewardship strategy, we evaluated the impacts of cotton farming. We looked at our key cotton growing regions through the WWF Water Risk Filter to identify geographies with high risk for water scarcity. We also estimated total water use (rainfed and irrigated) in cotton agriculture—the volume used is significant and our focus is on both reducing water use in cotton production and increasing effectiveness of water use. A key driver of this is the adoption of regenerative farming practices that make better use of rainfall and irrigated land. These practices increase soil fertility, water holding capacity and carbon capture; reduce erosion and pollution runoff; and create more resilience against floods and droughts. Read more about our work to increase the adoption of [more sustainable cotton](#).

COMMUNITY

Essential to our overall water stewardship strategy is supporting watershed health through conservation interventions—including wetland restoration, stakeholder engagement and the adoption of preferable land use management practices. We will invest in a number of water conservation programs in the coming year, as well as furthering our partnerships with organizations focused on community access and WASH (Water, Sanitation and Hygiene) solutions, based on local needs. More details on our water footprint is available in our [ESG Supplement](#).

In FY22, we will submit our first [CDP Water response](#), with plans to increase our disclosures in this area in the future.

WATER STEWARDSHIP IN OUR SUPPLY CHAIN

We are working with our product manufacturers to use more water-efficient production methods and to [capture water data](#) through the Sustainable Apparel Coalition Higg Index Facility Environment Module.

The five tier 2 fabric mills we enrolled in the Apparel Impact Institute Mill/Impact program are progressing through an 18-month process to reduce their overall environmental impact, including water use. The most recent focus is on efficiency measures, including optimizing the recovery of steam condensate and cooling water, maximizing the reuse of manufacturing process water and advancing wastewater treatment systems. Preliminary results show 8 to 20 percent reductions in water use, with the investment payback period ranging from 5 to 26 months.

Other water stewardship initiatives in FY21 include:

- Continuing our partnership with knit and woven manufacturers to minimize water use and improve effluent treatment by upgrading factory processing and equipment.
- Continuing to reduce the use of water-intensive chemicals and processing in the production of our core denim products.
- Launching Color on Demand, a revolutionary dyeing platform to color cotton more sustainably, using less water, less dye and less energy (see case study right).

REVOLUTIONIZING COTTON DYEING

Each year, trillions of liters of water are used for fabric dyeing alone, generating around 20 percent of wastewater worldwide. This water often requires lengthy, costly treatment to make it reusable.

We brought together four leading innovators in their respective fields—Dow, Jeanologia, Huntsman Textile Effects and COROB—to reimagine each stage of the coloring process and join a shared mission to create a more sustainable and efficient system for cotton dyeing.

The result is Color on Demand. This new multi-phased platform is composed of a set of innovative technologies that will enable the recycling and reuse of all water from the dyeing process, establishing the world's first scalable zero-wastewater cotton dyeing system. In addition to significant water savings, Color on Demand dramatically reduces the amount of chemicals, dye, time and energy used in the cotton dyeing process.

As part of the first phase of Color on Demand, we optimized the use of ECOFAST™ Pure—a pre-treatment solution for cotton garments, developed by Dow. When used with existing dyeing equipment, ECOFAST™ Pure enables the use of up to 40 percent less water, 85 percent fewer chemicals, 90 percent less energy and a 60 percent reduction in carbon footprint compared to traditional cotton dyeing processes. In partnership with Dow, we are releasing a detailed manual about ECOFAST™ Pure to encourage industry adoption and help standardize more sustainable cotton dyeing.

By 2025, we aim to use the Color on Demand platform in more than 80 percent of our solid cotton products. This revolutionary system will transform how the fashion industry colors cotton—more sustainably, more effectively and faster than ever.

To learn more about Color on Demand, watch [here](#).



Waste Management

We commit to integrating zero-waste principles across our business, focusing on reducing waste at its source and diverting waste from landfill through increased recycling and upcycling.

As we work to become a more circular business, we are integrating zero-waste principles across our operations and supply chain. We aim to reduce excess inventory, keep materials in use for as long as possible and minimize waste generated at our facilities.

Waste in our Operations



2023 GOAL

Achieve zero waste to landfill across our distribution centers¹

Across our distribution centers, offices and stores, we work to minimize waste and avoid sending materials to incineration or landfill, including excess inventory.

In FY21, we reduced our overall operational waste compared with FY20, due in part to COVID-19-related business impacts. We generated approximately 4,600 metric tons of waste at our distribution centers and diverted 85 percent of this from landfill—on track to meet our 2023 goal. In our North America-owned distribution centers, we achieved a 90 percent diversion rate in FY21. We also collected detailed waste data for all three of our third-party-operated distribution centers in Asia.

¹Using the Zero Waste International Alliance definition of zero waste, we will divert more than 90 percent of the waste generated at our distribution centers from landfill and incineration.

DISTRIBUTION CENTERS

At our distribution centers, we focus on finding recycling solutions for the waste materials we generate. In FY21, we worked with local recycling vendors to divert over 18,000 pounds of hangers from landfill at our North Carolina distribution center. We also began using recyclable corn board pallets for our internal distribution center activities and aim to expand this in FY22. We diverted all creative props and other decorative assets from landfill through recycling, sales to staff and donation of over 400 items to Habitat for Humanity, universities and other charities.

OFFICES, SUPPLIERS AND STORES

We initiated several new practices in FY21 to reduce and recycle waste from samples and fabric scrap in our offices and with suppliers. We are reducing the number of samples being created and shipped by working with suppliers to test their materials in-house rather than sending samples to third parties. We are also increasing the use of digitization so suppliers can create new products virtually and reducing sampling components, color approvals and related transportation. We also started a partnership with FABSCRAP to recycle fabric trim and samples in our offices. In FY21, we recycled and reused over 20,000 pounds of fabric waste. To further our teams' knowledge of fabric waste, in FY21 our employee sustainability group, the Green Ponies, hosted a discussion with the CEO of FABSCRAP during our Earth Day Speaker Series event.

The Green Ponies also continued to play an active role in other office waste reduction efforts. In FY21, they developed and distributed office and home recycling guides for our New York employees. They also improved the recycling signage in preparation for employees' return to our New York and North Carolina offices.

Waste Generated at our Facilities				
	Metric Tons		Diversion Rate	
	FY20	FY21	FY20	FY21
Distribution Centers	5,507	4,622	85%	85%
Stores*	2,917	1,777	78%	81%
Offices*	1,434	128	35%	35%
Total	9,858	6,527	75%	83%

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

Managing Excess Inventory

An estimated 92 million metric tons of textile waste is created globally each year.² This is a systemic problem in the fashion industry and one we are determined to help eliminate. Our Excess Inventory Management Principles standardize the steps we take to prevent our products from becoming waste. The principles are supported by a waste-management hierarchy to guide our decision-making for inventory and commercial waste.



PREVENTING EXCESS AT SOURCE

Our first step to reducing inventory waste is to prevent the production of excess product. Minimizing overproduction is a challenge across our industry. A key part of the solution is predicting product demand so we produce only what is needed. We are working toward this by shortening product lead times and implementing agile production models. We are also applying intelligent buying techniques that more closely predict demand and match it with manufacturing.

We completed a pilot project to minimize overproduction of wholesale orders in our European market. The pilot used a “cut-to-sales” model to ensure wholesale orders occur only after confirmation of customer orders. We will continue to refine our sales models and investigate options for improved real-time tracking systems in the European market to further avoid excess production.

PURSUE EXPANDED SALES CHANNELS

Once we have offered our products at full price across our range of channels and regions, we consider alternative sales channels for products not sold within planned timeframes—including via our outlet stores and various clearance partners around the world. Moving units between markets can also be an effective way of opening up new sales options for existing products. In FY21, we transferred 800,000 units globally to put them through clearance channels.

²[Reversing Climate Change is Fashion's Next Big Thing](#), Global Fashion Agenda, January 17, 2020.

We are seeing greater interest from our customers in service-based models such as rental platforms or “shared closets.” In FY21, we announced the introduction of The Lauren Look, our first subscription apparel rental initiative, with the Lauren Ralph Lauren brand. In addition to supporting the reduction of clothing waste by expanding the lifespan of garments that might otherwise be purchased and worn only a few times, the collections will be donated to Delivering Good once they reach their rental cap. In addition to our branded rental site, our Polo, Lauren and Club Monaco brands are available for rent on multi-branded marketplaces, including Rent the Runway, Gwynnie Bee and Nuuly.

MAXIMIZE PRODUCT OR MATERIAL'S NEXT LIFE

Through capsule-driven collections on the Polo app, in-store events and consumer research, we have gained valuable insight into how to give our products additional lives through rental, re-commerce and upcycling. We are building on the momentum of our current initiatives to make a greater impact, focusing on evaluating potential new partners to scale our offering. In addition to our subscription apparel rental initiative, we see opportunity for a large-scale re-commerce program inclusive of restored, reimaged or upcycled products to further extend garment lifespans.

EMPLOYEE ACCESS

We give our employees access to excess inventories through stock sales. To reduce geographic restrictions to specific stock, we piloted a digital employee sale in North America in FY21.

DONATE FOR POSITIVE IMPACT

Our product donation strategy aims to help communities around the world, especially where our employees and customers live and work.

In FY21, we donated more than 1.5 million units of products to support hundreds of thousands of frontline workers and families in need around the world. The donation included comfortable loungewear and daily items, such as sweatshirts, sweatpants and T-shirts. These products have been distributed through charity networks, as well as many of our long-standing [Pink Pony](#) partners focused on cancer care.

RECYCLE

Recycling products at scale presents technical challenges, particularly for apparel with blended fabrics and non-textile products like footwear and handbags. We are finding more opportunities to recycle excess product by exploring new partnerships and innovations.

In FY21, we established partnerships with recyclers in Europe that will continue in FY22. We also initiated upcycling pilot projects in North America and Asia to explore technologies for converting damaged and excess products into new textile fabric and yarns.

DISPOSAL

Once all other options have been exhausted, our last resort is product disposal or destruction. We try to avoid this wherever we can, and then prioritize waste-to-energy disposal methods where available. We continue to ramp up our donation and recycling partnerships to avoid the need for disposal. Ultimately, we aim to cease this option altogether.

Sustainable Packaging



2025 GOAL

100 percent of our packaging material will be recyclable,³ reusable or sustainably sourced⁴

Environmentally responsible packaging is an essential part of a circular future. By 2025, all our packaging material will be recyclable, reusable or sustainably sourced, which includes packaging made from post-consumer or post-industrial recycled content, or that is Forest Stewardship Council (FSC) certified.

In FY21, 54 percent of our packaging volume and 71 percent of our stock-keeping units (SKUs) met at least one of our sustainable packaging criteria.⁵ In FY22, we will be implementing a regular, standardized reporting process for our suppliers to allow us to track sustainable aspects of our packaging across brands, packaging types and regions throughout the year.

Our [Forest Protection Policy](#) supports our 2025 goal, describing our commitment to responsibly source any fabric, pulp and paper used in packaging. We collaborate with Canopy's [Pack4Good](#) initiative, in which innovative companies and suppliers help develop closed-loop solutions for packaging and paper that reduce negative environmental and social impacts. As part of this initiative, over the next three years we will:

- Source or design reusable or refillable shipping boxes to reduce corrugated paper use.
- Design and implement e-commerce, shipping, display and wrapping systems that minimize the use of paper.
- Employ reusable packaging systems. For example, in FY21, we tested reusable packaging from RePack with around 2,000 e-commerce orders in the U.S. We are evaluating options for expanding our use of this packaging in the U.S. and potentially other regions.

In FY21, we updated our product packaging inventory, which tracks every material used and identifies priority materials for reduction or replacement. Our 10 highest-priority materials include high-volume usage items, such as decorative tags and polybags.

We currently use FSC certified paper for our hangtags for core items. In FY21, we began eliminating nonessential decorative tags, which will continue into FY22.

We plan to transition to 100 percent post-consumer recycled content in our plastic polybags in FY22. This is an interim milestone as we work to reduce the need for polybags and to identify alternative materials for our polybags that fully meet our definition of recyclable and sustainably sourced packaging.^{3,4} We are engaging with partners and innovators through the Fashion Pact's Oceans pillar to identify and test paper-based polybag alternatives that will meet our performance requirements while also being recyclable at scale.

Through RalphLauren.com, our reduced packaging option gives customers the ability to have plastic or paper inserts, hangers, garment bags, promotional materials and paper invoices removed from their orders. In FY21, we removed and recycled all of the polybags from reduced packaging orders, which represented 15 percent of all orders placed through RalphLauren.com (12 percent in FY20).



³We use the Ellen MacArthur Foundation's New Plastics Economy Global Commitment definition of recyclable: a packaging or packaging component is recyclable if its successful post-consumer collection, sorting and recycling is proven to work in practice and at scale.

⁴Sustainably sourced includes packaging that is post-consumer or post-industrial recycled content or FSC certified.

⁵These percentages represent packaging from the subset of our suppliers who reported data for FY21. We are working to collect data from a more complete share of suppliers in FY22 and beyond.