

# MATERIAL SUSTAINABILITY ISSUES – DEFINITIONS

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This list of issues was used in the sustainability materiality survey and provided to stakeholders as a reference.

## Climate

<b>BIODIVERSITY AND LAND USE</b>	Impacts on biodiversity and ecosystems, through transformation of habitats, land use and other business activities; reliance on biodiversity for raw materials (e.g., bees pollinating cotton flowers).
<b>CLIMATE CHANGE RISKS AND ADAPTATION</b>	Resilience to impacts and risks associated with climate change, including droughts, flooding and inundation and storms; adapting and managing the business to climate change impacts throughout the value chain.
<b>GHG EMISSIONS</b>	Greenhouse gas emissions in LS&Co. operations and supply chain from material sourcing, manufacturing, transportation, workplaces and other business activities.
<b>RENEWABLES AND ENERGY USE</b>	Energy consumption and efficiency; use of renewable energy sources.
<b>SUSTAINABLE WORKPLACES AND PRACTICES</b>	Impacts on the environment and local communities of LS&Co. employees, buildings and workplace practices.
<b>WATER POLLUTION</b>	Water pollution from LS&Co. operations, products and services and supply chain; impacts of wastewater discharge in supply chain, consumer use and end of life.
<b>WATER USE AND REPLENISHMENT</b>	Water used and withdrawn throughout LS&Co.'s value chain, specifically monitoring and mitigating impacts and replenishing in water-stressed regions.

## Consumption

<b>CHEMICALS MANAGEMENT</b>	Chemicals used in making materials, products and other substances released to the environment (air and water) that are toxic to humans and ecosystems; robust processes to manage risks and maintain compliance associated with hazardous chemicals.
<b>CIRCULARITY IN PRODUCT DESIGN</b>	Designing and innovating products, manufacturing processes and materials selection for quality, durability, repair, reuse and recycling.

## Consumption

<b>CONSUMER ENGAGEMENT ON SUSTAINABILITY AND SOCIAL RESPONSIBILITY</b>	Consumer engagement on sustainability and social responsibility; promotion of sustainable actions (clothing washing, reuse, recycling, etc.) through communication, certifications and marketing.
<b>MATERIALS SOURCING</b>	Consideration of social and environmental impacts associated with materials used; prioritizing options with lower environmental footprint and third-party certifications; ethical sourcing and traceability of materials such as cotton, leather, wool and conflict minerals.
<b>PACKAGING DESIGN, RECYCLING AND WASTE</b>	Packaging material and design for increased recovery and recyclability, as well as reduced waste and environmental impact.
<b>PRODUCT MATERIAL WASTE</b>	Waste generated throughout LS&Co.'s value chain; activities to reduce, reuse or recycle and responsibly manage/dispose of waste, including policy engagement on waste, take-back and recycling infrastructure.

## Community

<b>COMMUNITY IMPACT</b>	Impacts on local communities from operations and supply chain; programs and practices that assess and manage the impacts on communities; efforts to improve economic well-being and resiliency in local communities; philanthropic efforts and employee volunteering.
<b>EMPLOYEE DIVERSITY, EQUITY AND INCLUSION</b>	Fairness of treatment and compensation across all levels of the business; inclusion of female and underrepresented employees in workforce, management and board.
<b>EMPLOYEE ENGAGEMENT AND DEVELOPMENT</b>	Attracting and retaining talent; offering training and development for employees to build capability and career opportunities; ability for employees to be heard, present, focused and energized.
<b>EMPLOYEE HEALTH, SAFETY AND WELL-BEING</b>	Impacts on local communities from operations and supply chain; programs and practices that assess and manage the impacts on communities; efforts to improve economic well-being and resiliency in local communities; philanthropic efforts and employee volunteering.

## Community

<b>FORCED LABOR</b>	Fairness of treatment and compensation across all levels of the business; inclusion of female and underrepresented employees in workforce, management and board.
<b>GENDER EQUITY IN THE SUPPLY CHAIN</b>	Attracting and retaining talent; offering training and development for employees to build capability and career opportunities; ability for employees to be heard, present, focused and energized.
<b>HEALTH, SAFETY AND WELL-BEING OF WORKERS IN THE SUPPLY CHAIN</b>	Worker health, safety and well-being throughout the supply chain.
<b>LABOR RIGHTS IN THE SUPPLY CHAIN</b>	Protection and monitoring labor rights in the supply chain, including; a living wage; freedom of association and collective bargaining; independent grievance channels for workers and worker voice; prevention of union-busting.
<b>SOCIAL INCLUSION</b>	Designing and promoting inclusivity through LS&Co. products, services, marketing and public communications to reflect the wide diversity of LS&Co.'s consumer base and social values.
<b>PUBLIC HEALTH AND NATURAL DISASTER RISKS</b>	Promoting solutions and managing disruptions and impacts in the value chain associated with epidemics, communicable and non-communicable diseases and natural disasters.

## Transparency

<b>ADVOCACY AND PUBLIC POLICY PRACTICES</b>	Support or advance public policy and practices that align with LS&Co. environmental, social and governance practices and values.
<b>CONSUMER TRANSPARENCY AND SAFETY</b>	Disclosures to customers and users about products and services; materials transparency; responsible marketing and labeling.
<b>DATA PRIVACY AND PROTECTION</b>	Safeguard privacy and personal data of customers, employees and business partners.

## Transparency

ETHICAL AND TRANSPARENT BUSINESS PRACTICES	Ethical and transparent corporate behavior by combatting dishonest or fraudulent behavior; responsible tax behavior; oversight and accountability for managing ESG risk; compliance with government sanctions, customs import bans and public disclosure requirements.
SUPPLY CHAIN MANAGEMENT AND TRANSPARENCY	Transparent processes and systems to enable visibility into deeper supply chain tiers; ensure suppliers uphold standards on environmental, social and ethical business practice issues; enable supplier sustainability with longer-term contracts, considering the impacts of automation in supplier selection.