



PELOTON



# ESG REPORT 2023



# WELCOME

Welcome to Peloton’s 2023 Environmental, Social, and Governance (ESG) Report—the third publication outlining our ongoing efforts to support and improve the well-being of our people, community, and planet.

Unless otherwise indicated, this report includes information from Peloton’s 2023 fiscal year (FY23), which spans July 1, 2022 to June 30, 2023.

This report includes updates on key topics related to ESG at Peloton, such as our goals for environmental sustainability; the steps we take to foster diversity, equity, and inclusion (DEI); ways we cultivate inclusive and accessible experiences for our communities; and the practices we employ to operate with integrity.

To ensure we are working to internationally recognized ESG standards, we have started to align our reporting with the International Sustainability Standards Board (ISSB), IFRS Sustainability S1 and S2 Disclosure Standards.

Our greenhouse gas (GHG) emissions have been [independently verified by Apex Companies, LLC.](#)

## Introduction

- 2 Welcome
- 3 A message from Barry McCarthy
- 4 A message from Karen Boone
- 5 We are one Peloton
- 6 Our impact framework

## For the well-being of our people

- 9 Our team
- 13 Diversity, equity, and inclusion

## For the well-being of our community

- 21 Igniting positive change for Members
- 26 Our social impact partnerships
- 32 Economic empowerment and supplier diversity

## For the well-being of our planet

- 36 Climate strategy
- 40 Circular business models

## Operating with integrity—our foundations

- 42 Governance and engagement
- 43 Living our values and ethics
- 46 Maintaining a responsible supply chain
- 47 Policy and advocacy
- 48 Forward-looking statement



# A MESSAGE FROM BARRY MCCARTHY



Welcome to Peloton's 2023 ESG Report.

You've heard me say that enabling more people to experience Peloton is an important part of our strategy. Many of our social and environmental sustainability efforts from the past year go hand-in-hand with this objective—creating inclusive and accessible Member experiences; positioning Peloton as a brand for anyone, anywhere; and offering more financially accessible and flexible ways to experience our products through circular models such as Peloton Certified Refurbished and Rental programs. We've seen great traction on these initiatives in the past fiscal year. I am proud of our efforts and the progress we've made.

As we maintain our commitment to the well-being of our People, Planet, and Community, I also want to acknowledge a few noteworthy milestones:

**People:** We conducted our annual global pay equity study, in partnership with an independent third-party firm, and I'm proud to share we have maintained 100% pay equity across race and gender, globally. We also launched Activating Allyship, a new company-wide learning journey focused on equipping our team members with practical skills to embed an anti-racist allyship culture at Peloton.

**Community:** This year, we're introducing a new goal of reaching 500,000 individuals by the end of FY25 through global community engagement programming, including: community investments, curated classes and content, and community activations. We also introduced a new Instructor Ambassador Program, pairing 14 of Peloton's world-class Instructors with each of our 8 Pledge partners across the US, UK, Canada, Germany, and Australia, supporting our goal to amplify our partners.

**Planet:** We took an important step forward on climate action and committed to set science-based carbon reduction targets by 2025. We're proud to align our reduction strategy to guidance from the Science Based Targets initiative (SBTi) and continue our contribution to the global effort of tackling climate change. We also completed our first renewable energy certificate (REC) purchase, making progress toward our FY26 goal to source 100% renewable energy for our direct operations.

These achievements represent our ongoing commitment to our principles and values. As we look to the years ahead, we will continue to work toward our stated goals, accelerate in places where the bar continues to rise quickly, and share progress along the way. We've made strides, and we have a lot more to do.

I want to thank our Peloton community Members who motivate us—every day—to be the best company we can be. And, thank you to all of Peloton's team members around the world whose hard work, dedication, and integrity drive the initiatives included in this report.

Lastly, although we are early in our ESG journey, we remain committed to continuous improvement and singularly focused on our mission to continue empowering millions of people around the world to be the best version of themselves anywhere, anytime.

**Barry McCarthy**  
President and Chief Executive Officer



# A MESSAGE FROM KAREN BOONE

Peloton has always been a Members-first, mission-driven business—it's who we are and what motivates us every day—and I'm proud of what our teams have accomplished over the past year.

From taking steps to ignite active allyship across our global team member base and evolving our brand to be more representative of our diverse community of passionate Members, to putting a stake in the ground and committing to reduce our carbon emissions in line with science—our teams have continued to envision and create what it takes to help anyone, anywhere become the best version of themselves.

The achievements and progress outlined in this report are made possible by the commitment of our team members around the world and the strong governance structures that enable them to operate effectively and with integrity. In terms of ESG governance, the team continues to engage the full Board of Directors throughout the year and provides regular updates on strategy and progress to the nominating, governance, and corporate responsibility (NGCR) committee. Beyond the NGCR committee's role of maintaining oversight of any Peloton programs relating to ESG matters, it provides active guidance to Peloton's management on strategic priorities and has stayed close to the development of the company's ESG program.

From my seat as Chairperson of Peloton's Board of Directors, I've seen our teams continue to transform the business and brand, and pivot toward a new chapter with impressive determination—all while staying true to our mission of empowering people to live happier, healthier lives. Looking ahead, I have no doubt that team Peloton will continue to imagine the art of the possible, deliver on our vision, and amplify the values that guide us.

On behalf of Peloton's Board of Directors, we are pleased to share Peloton's 2023 ESG Report.

**Karen Boone**

Chairperson, Peloton Interactive, Inc. Board of Directors



# WE ARE ONE PELOTON

As a leading global fitness company, we are on a mission to empower movement and inspire connection. Our global community uplifts anyone, anywhere to nurture their body and mind and become the best version of themselves at any stage of their fitness journey.

We put our Members at the heart of everything we do—from designing engaging content to meet the needs of our unique community to building a diverse team of world-class Instructors that help them feel represented. Powered by our passionate team members and driven by our mission, we’re breaking down barriers to make unparalleled fitness experiences accessible to millions of Members every day.

## AS OF JUNE 30, 2023, WE:

- Have **3,584 team members** globally<sup>1</sup>
- Offer content that spans **16 modalities** and **3 languages** (English, German, and Spanish)
- Represent a community of over **6.5 million Members** globally
- Operate in **5 markets**, including the United States, United Kingdom, Canada, Germany, and Australia

## RECOGNITION HIGHLIGHTS

- **Silver Certification** for Management Leadership for Tomorrow (MLT) [Black Equity at Work](#)
- Forbes’ [Best Brands for Social Impact](#) 2023 list, **ranking first among home fitness brands**
- New York HQ recognized with Fitwel Impact Award: **Highest Scoring Design Project of All-Time** in the [2023 Best in Building Health Awards](#)
- Women’s Housing and Economic Development Corporation (WHEDco) [Community Builder Award](#)

## OUR VALUES:

**PUT MEMBERS FIRST**

**TOGETHER WE GO FAR**

**OPERATE WITH A BIAS FOR ACTION**

**BE THE BEST PLACE TO WORK**

**EMPOWER TEAMS OF SMART CREATIVES**

These values are central to our culture and guide every decision we make.

<sup>1</sup> This figure does not include employees of Precor, a wholly owned subsidiary.



# OUR IMPACT FRAMEWORK

## HOW WE SUPPORT AND ADVANCE THE WELL-BEING OF:

### OUR PEOPLE

We encourage our team members to bring their most authentic selves to work every day and provide opportunities to help them unlock their greatness. We invest in learning and wellness support to strengthen our team's physical and mental well-being, offer equitable and competitive pay and benefits, and empower our team to be agents of change at work and in the world.

### OUR COMMUNITY

We aim to use our platform and business to enable a more just, equal, and healthy society. We're committed to fostering a sense of belonging for all of our Members and democratizing access to physical and mental well-being through our products, content, and community partnerships.

### OUR PLANET

We're accelerating efforts to reduce our greatest climate impacts, and rolling out initiatives to operate more efficiently, build a more circular and transparent business, and source renewable energy, all to make progress on our long-term environmental aspirations.

## OPERATING WITH INTEGRITY

Our values, honesty, and integrity in all our business dealings are at the center of everything we do. We are committed to earning and maintaining the trust of our stakeholders by upholding these values and holding ourselves accountable through a defined governance model and associated compliance processes, and providing regular and transparent updates on key issues.

With a platform that reaches millions of people around the world, we have a unique opportunity to support the well-being of our people, our community, and our planet.

We're committed to advancing a healthier, more equitable society by fostering a culture of belonging and authenticity among our team members, breaking down barriers to physical fitness and mental health, and working to become a more environmentally sustainable business.

### THE PELOTON PLEDGE

Our impact framework works alongside the Peloton Pledge: created in June 2020, the Pledge is our ongoing commitment to becoming an anti-racist organization, combating systemic inequities, and promoting global health and well-being. The Pledge addresses our internal culture and our principles, as well as giving a strategy for amplifying change both in our company and our community.



# FIND YOUR

# HAPPY PACE

PELOTON

## FOR THE WELL-BEING OF OUR PEOPLE

We strive to foster a culture where each team member feels encouraged to bring their most authentic selves to work every day. By prioritizing team member engagement and well-being—from supporting their learning to offering competitive compensation and benefits—we hope to empower them to drive positive change at Peloton and in the world.



### In this section

- 9 Our team
- 13 Diversity, equity, and inclusion

As we continue to evolve as a business, we remain steadfast in supporting our team members—understanding and meeting their needs and prioritizing their well-being. From offering opportunities for both personal and professional development to committing to pay equity and competitive health care benefits, we aim to support our team members at each stage of their employment journey.

Our goal is to cultivate an equitable and inclusive culture—one that enables people to thrive. Together, we innovate to power Peloton’s growth and fulfill our mission in the world.

<sup>2</sup> The study was conducted in FY23 but adjustments for any gaps were made in 1H FY24.

### Key

Reached In progress Not met

## OUR COMMITMENTS

**Maintain 100% pay equity across gender and race/ethnicity**

Each year, we will conduct a global pay equity study across gender and race/ethnicity and address any identified pay gaps.

**100% of all interviewers are required to undergo Hiring@Peloton training**

This training includes bias mitigation. Additional talent acquisition efforts include evaluating all job descriptions to reduce the risk of biased language, and leveraging consistent sourcing tools to ensure a diverse pool of qualified candidates.

**100% of people leaders complete Activating Allyship by the end of FY24**

Peloton’s anti-racism training program.

**Make progress toward becoming an anti-racist organization**

We will deliver on our long-term diversity, equity, and inclusion agenda.

## OUR WORK

**Enlisted an independent third-party consultant to conduct our second global pay equity study<sup>2</sup>**

Based on the results of the study, we made base pay adjustments for a small population of team members to close any gaps found.

**87% of all interviewers completed Hiring@Peloton training, as of June 30, 2023**

We will continue to enhance measures to improve the completion rate, including reminding team members to complete training and improving internal visibility of training status within hiring teams.

**Piloted Activating Allyship learning journey, followed by a full company-wide launch in July 2023 (Q1 FY24)**

The new learning journey is designed to help team members move beyond awareness and toward active anti-racist allyship.

**Earned Management Leadership for Tomorrow (MLT)’s Black Equity at Work Silver Certification**

This was our second year of the program, marking an important step on our journey toward more racially equitable talent, recruitment, retention, and DEI practices.





# OUR TEAM

We bring together talented people who are driven by innovation, passion, and creativity, fostering a culture where team members are uplifted, supported, and encouraged to advance their careers.

## TEAM ENGAGEMENT AND DEVELOPMENT

At Peloton, we support team members on their professional and personal development journeys. From launching a new internal talent marketplace platform to enhancing leadership training programs, we're committed to providing effective learning and development resources, guided by the voices of our team members. This includes offering support to team members impacted by restructuring, including cash compensation, extended health care coverage, and career support services.

“We’re aiming to make Peloton the best professional experience each of our team members has ever had—because we understand that our team’s well-being is foundational to our collective success.”

**Dalana Brand**, Chief People Officer

## Listening to our team members

The best team member development strategies are ones that meet real-world needs. That’s why we conduct an annual engagement survey to gain an accurate picture of employee sentiment. In 2023, we achieved our highest participation rate to date—90%. Reaching this milestone means we’re even better equipped to make impactful changes that improve team member experiences. Our engagement score showed an 8% increase from 2022, with 59% of team members reporting a favorable score on our 5 engagement-focused questions, which cover overall engagement sentiment and connection to Peloton and the work we do. We also identified that 25% of team members reported feeling neither engaged nor disengaged—an important opportunity for us to listen to the feedback and implement reengagement efforts for this group.

Through the survey, we identified several key opportunity areas—including functional leadership clarity, better demonstrating team member value, and fostering a stronger culture. In response, we began implementing key changes such as launching new leadership initiatives and cultivating a more inclusive culture in pursuit of high-performing teams.

## Amplifying the career development experience

Engagement survey insights indicated a need for more transparent and structured career advancement processes. As a result, we have worked to bring greater visibility to professional development opportunities—from open positions to lateral moves, temporary assignments, mentorships, and learning courses.

## Pledge Pillar 2

# INVEST IN LEARNING AND DEVELOPMENT

We took an important step toward delivering on our long-term diversity, equity, and inclusion (DEI) agenda with the launch of Activating Allyship, a learning journey focused on equipping our teams with practical skills, insights, and tools needed to embed an anti-racist allyship culture at Peloton. The program invites team members to reflect on their personal experiences and is designed around the U-process theory of becoming more conscious of the ways we show up, connect, and lead, in order to embrace new ways of being.

The self-paced, online learning journey aims to accomplish three objectives and provide team members with:

- An understanding of active allyship
- An understanding of what it means to be anti-racist
- The skills to embed an anti-racist allyship culture at Peloton



### CULTIVATING TALENT THROUGH TECHNOLOGY

This year, we soft launched Grow, our new talent marketplace platform designed to highlight open internal positions and the skills required to fill those roles. By connecting the platform to our existing learning management system, we're also making it easier for team members to develop those skills at their own pace. For the soft launch, we piloted the Grow platform with approximately 500 global team members, and over 240 of them were actively using it as of May 2023.<sup>3</sup> Following this pilot phase, we aim to incorporate learnings and roll the platform out company-wide during FY24.

#### Increasing access to learning opportunities

We make various development resources available to our team members to access at their own pace and convenience. This includes recordings of monthly virtual training sessions that can be watched anytime, anywhere. In addition, we launched an internal podcast highlighting the career journeys of team members across the business from a wide range of roles and functions. During the interviews, team members discuss their background, explain the responsibilities and skills tied to their role, and deliver useful career advice for other Peloton team members.

<sup>3</sup> Active User: The number of unique users who have visited the Grow platform (e.g., viewed a page, applied, etc.) and clicked any page during the specified time period.  
<sup>4</sup> Average learning and development hours per team member includes virtual and live training sessions, and courses available on Peloton's on-demand virtual training platform.

### Creating tomorrow's leaders

We are working hard to support current and future leaders across our business. As well as sharing team feedback with people leaders to help them evaluate areas for improvement, we are making leadership development a company priority.

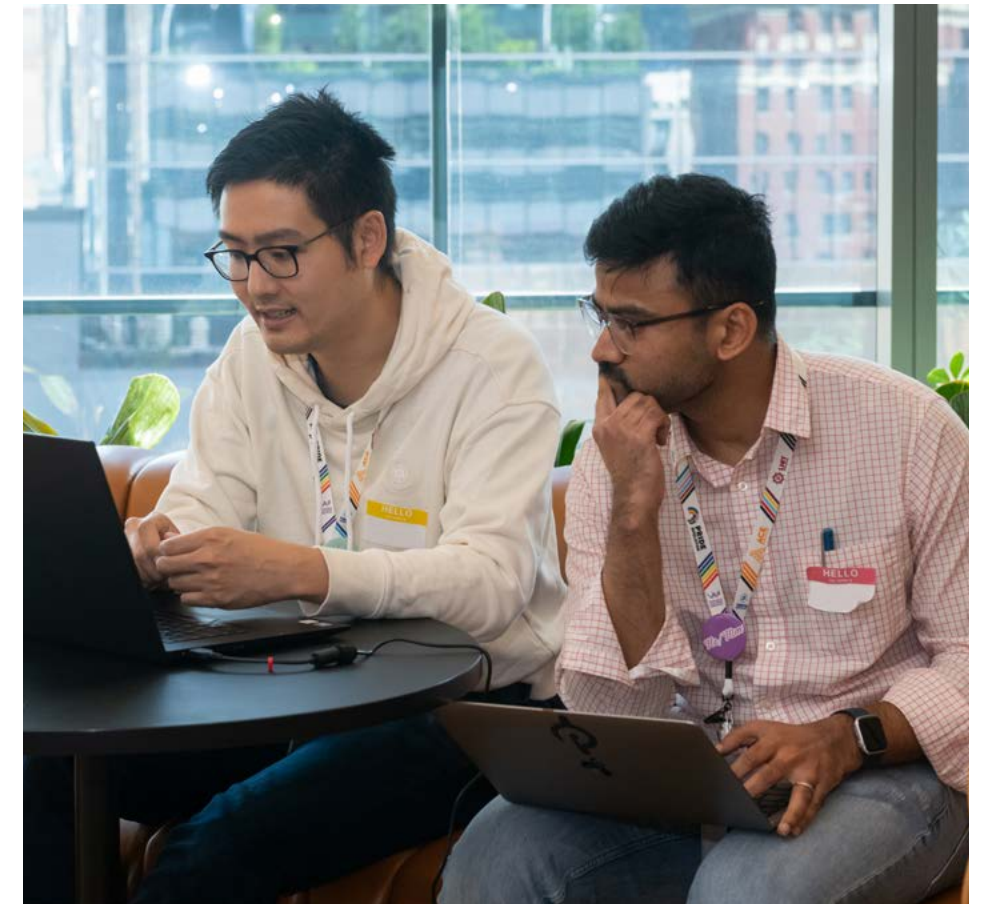
Our philosophy is built on creating incredible leaders—ones who can connect with their teams to motivate and inspire. Our company-wide leadership training program is intended to equip people leaders with the knowledge and tools to nurture highly engaged, high-performing teams. Learning content is designed to help current and aspiring people leaders develop the capabilities to embody what good leadership means—leading others and leading the business to success.

During FY23, we offered 21 Connected Leadership training sessions, delivering approximately 164 training hours to people leaders as we transitioned to a new overarching multi-part, multi-mode leadership development program named Leading@Peloton. In the coming year, we plan to increase these numbers further as we move beyond a period of restructuring to one of renewed growth. We also introduced 23 new skill-based e-learning in FY23—available to all team members and spanning key leadership topics as well as other skills—and piloted a refreshed foundational leadership training path for all people leaders, which we hope to scale in coming years.

### Learning and development by the numbers

During FY23, we delivered:

- 21 Connected Leadership training sessions with people leaders
- 23 additional on-demand e-learning to our virtual training platform
- 5.24 learning and development hours per team member<sup>4</sup>





## RECOGNIZING AND REWARDING TALENT

Building a strong team starts with seeking out, nurturing, and rewarding the best talent.

### Pledge Pillar 1

## INVEST IN ECONOMIC EQUITY

Enlisted an independent third-party consultant to conduct our second global pay equity study at the close of FY23. Based on the results of the study, we made base pay adjustments for a small population of team members at the start of FY24 to close any gaps found.

5 This benefit is available to team members in the US, Canada, and the UK.

6 Team members are eligible for up to 18 weeks of paid parental leave after 6 months of full-time service. For team members with less than 6 months of full-time service, paid parental leave is prorated at 3 weeks of leave for every month of full-time service completed as of the date of birth, adoption, or placement. This benefit is available for team members globally.

7 This benefit is available to team members in the US.

## Benefits for better well-being

Peloton continues to offer an array of benefits to eligible team members, including:

- Comprehensive health care
- Global mental health benefits
- Global financial wellness support
- Subsidized back-up support for dependents (children and elderly)<sup>5</sup>
- Global paid parental leave (up to 18 weeks)<sup>6</sup>
- Referral bonus program
- Prepaid legal assistance<sup>7</sup>
- Global family-forming benefits
- Free Peloton membership and meaningfully discounted connected fitness products
- A team member stock purchase plan

Alongside our core benefits package, we continually evaluate compensation rates to ensure competitive compensation for all team members. We offer a starting hourly rate of no less than \$19.00 for all hourly non-sales commissioned roles, and equally competitive rates for equivalent roles in all other markets where we operate (Australia, Canada, Germany, and the UK). Benefits-eligible team members also have access to the High Five Fund, which provides up to \$5,000 of financial relief for unforeseen personal challenges.

We are committed to ensuring equal access to health care for all team members. In FY23, we introduced a new benefit for US-based team members—\$5,000 travel coverage should they need to seek medical care that may not be available in their home state. Through our dedicated mental health benefits partner, team members can also access emotional and mental health resources at their convenience, with online tools and research-backed therapeutic methods.

## Empowering community action

We encourage our team members to get involved in their own communities. Eligible full-time team members receive up to 40 hours of paid time off per year to engage in civic activities, with eligible part-time team members receiving up to 24 hours off annually. Additionally, all eligible team members receive up to 16 hours per calendar year in paid volunteer time off.

We continue to maintain our Together We Give platform, through which team members can donate to organizations supporting causes they are passionate about. Peloton continues to match up to \$1,000 (or international equivalent) in aggregate per calendar year per employee to charitable organizations that meet our established eligibility criteria, and reward volunteer efforts. In FY23, 286 Peloton team members donated to 382 causes around the world.



**PRIORITIZING WORKPLACE WELL-BEING, HEALTH, AND SAFETY**

Team member health and safety is a company priority, and we adopt a comprehensive, company-wide approach to the management of our workplaces, processes, and systems. Our environmental, health, and safety (EHS) program is focused on raising awareness and establishing effective practices surrounding global safety, environmental stewardship, and emergency preparedness.

Over the past year, our teams have been working toward consolidating our safety systems into a single, unified platform to make information more easily accessible. We also launched a new web-based safety data sheet system where team members can scan a QR code to instantly access information for materials being used on-site.

Our goal is to foster a culture of safety across all our operations. In service of that goal, we are embedding the EHS team further into our business, with dedicated EHS team members making routine visits to Peloton labs, studios, and various Peloton-operated supply chain sites. The team visits all sites at least quarterly, with the goal of having more frequent touchpoints throughout our operations.

We continue to deliver regular safety incident management and reporting training for all team members in line with federal regulations. This training educates on how to report safety incidents, including identifying different types of incidents. In addition, our distribution centers now undergo monthly training that includes an overall safety focus, as well as site-specific safety measures such as heat exhaustion prevention training.

Our total recordable incident rate (TRIR) for FY23 was 1.63 for seasonal and permanent team members. Throughout the year, we recorded one incident involving a seasonal team member; other recordable incidents involved full-time team members.<sup>8</sup>

Our commitment to health and well-being across our properties and the surrounding communities was acknowledged in 2023, with our New York HQ ranked as the highest scoring project in Fitwel's 2023 Best in Building Health Awards.

<sup>8</sup> Incidents associated with Precor are excluded from this data.





# DIVERSITY, EQUITY, AND INCLUSION

We acknowledge our responsibility and opportunity to combat systemic inequity and cultivate a culture of inclusion and connection for all.

At Peloton, we believe all workplaces should be accessible, inclusive, and foster belonging for all team members. In FY23, we focused our efforts on establishing and advancing racially just business practices and inclusive structures to support the many identities represented by our team members. We are also working to learn more about, and advance opportunities for, all team members at Peloton, including individuals from historically underrepresented communities.

## BUILDING DEI INTO EVERY PART OF PELOTON

We work tirelessly to embed diversity, equity, and inclusion (DEI) across our business—from constantly striving to make sure each team member feels a sense of belonging to embedding equity into processes throughout the employee lifecycle.

As part of our commitment to advance more inclusive workplace practices, we continued to work with Management Leadership for Tomorrow (MLT) and earned a Silver Certification in the MLT Black Equity at Work Program.

Since the 2020 launch of the Peloton Pledge, we have also been working to combat systemic racism and become a truly inclusive company, with programs and initiatives to embed a culture of anti-racism and active allyship.

This year, we also confirmed our partnership with the Business Disability Forum, which will provide us with support in our aims to have fully accessible and inclusive workplaces.

## ELIMINATING BIAS ACROSS THE TEAM MEMBER EXPERIENCE

In pursuit of dignity and respect for all team members, we provided a range of programmatic and ad-hoc DEI education across the business. This includes sessions on bias and its impact for our global People Business Partner team and our International People Leadership Team. In addition, we offered culture, inclusion, and disability awareness sessions for our team members at Peloton Studios London, and a cultural competency session on indigenous excellence for our Australian team members.

We also enhanced rigor around bias-mitigation training for hiring managers via Hiring@Peloton, resulting in an 87% completion rate.

The Talent Acquisition team continued to integrate tools and practices that support equitable hiring at Peloton. This included leveraging Seekout, a recruiting tool that provides critical insights around diversity within the talent pipeline, helping to reduce unconscious bias and find underrepresented candidates.

## Activating Allyship

To evolve into a truly anti-racist organization, we must go beyond intention to take real action. Progress is our goal. We were proud to launch Activating Allyship in July 2023—a new learning journey focused on empowering people leaders and equipping them with the skills needed to embed an anti-racist allyship culture at Peloton. By the end of FY24, we aim to have 100% of our people leaders complete Activating Allyship.

### Pledge Pillar 5

## DELIVER ON LONG-TERM DIVERSITY, EQUITY, AND INCLUSION AGENDA

- Completed year 2 of 3 toward MLT Black Equity at Work Program and earned Silver Certification
- Convened 2 Employee Resource Group (ERG) summits bringing together thought leaders from diverse communities to educate and inspire



Individuals on this learning journey move toward active anti-racist allyship through:

- Understanding what is needed to embed an anti-racist allyship culture at Peloton
- Gaining practical knowledge tools to act as an anti-racist ally
- Overcoming the fear of engaging in constructive feedback and difficult conversations at work
- Personally committing, as people leaders, to promote a culture of inclusion
- Learning how to redistribute personal power, influence, and privilege

**INFLUENCING THE TEAM MEMBER EXPERIENCE AND BUSINESS SUCCESS**

Team member-led groups at Peloton, including our US and UK ERGs and our international Inclusion Forums (IFs), build communities around common values, beliefs, interests, and allyship. ERGs are identity-based team member-led groups that foster a diverse and inclusive workplace aligned with Peloton’s mission, values, goals, and DEI strategy. Our ERGs drive engagement within our Peloton communities by uniting underrepresented communities, bringing together team members of diverse backgrounds and allies to connect, learn, and create safe spaces for all.

9 ERG and IF leadership Board members who have been in the role for more than 12 consecutive months are eligible to receive a discretionary bonus in the form of a one-time annual cash payout.

An IF operates in the same way as an ERG, but is suited to Peloton’s markets where we have a smaller team member population and is designed to be flexible, enabling the forum to expand or contract to meet the needs of that market and its team members. Each IF includes a representative from one of Peloton’s current ERGs and acts as a liaison with their counterpart in the US to share information and collaborate on events and programs.

Our ERGs and IFs not only offer developmental opportunities and connection for our team members, they also help drive business success by playing an integral role in our organizational strategy. ERG and IF programming this past year focused on supporting 2 of Peloton’s strategic objectives: to cultivate a culture of inclusion and to drive talent density. Through planning and partnerships with teams across the company, we have seen several positive changes in how Peloton operates in supporting its team members and communities.

In recognition of the team members who devote their time and energy to deliver crucial programs, initiatives, and extraordinary impact to Peloton, we continue to invest in our ERG leaders and their Board members, including financial compensation, to enable their success and the success of the groups they support.<sup>9</sup>



**STRATEGIC AND INCLUSIVE PROGRAMMING: FOSTERING COMMUNITY AND INNOVATION**

Building on the success of the first DEI summit in the US in FY22, we were thrilled to host Peloton’s first global ERG and IF summit in New York City, bringing together our ERG and IF leaders and their Board members from the US, UK, and Australia to collaborate and strategize their programming for FY24.

In FY23, we hosted our first international DEI summit to bring UK team members together for a week of learning and sharing. Celebrated during National Inclusion Week (September 25 – October 1), UK leads came together to discuss strategic planning, assess development needs, workshop how to plan inclusive events, leverage the value of social impact partners, and help to create a sense of community and peer support.

In the UK, we also launched our DEI Innovation Station, where team members can contribute their best DEI ideas. Along with the chance to have their ideas adopted, this key touchpoint encourages team members to update their demographic profiles. This information helps us understand who we are as a community and to develop programming that supports our mission of being the best place to work for our team members.



### CULTIVATE A CULTURE OF INCLUSION

We are committed to fostering a culture of inclusion where our team members can feel a sense of belonging. This year, we:

- Delivered e-learning opportunities to educate team members on the significance of cultural moments such as Black History Month and Pride
- Increased visibility into our supplier diversity strategy by partnering with local minority-owned businesses
- Established spaces within Peloton HQ for team members who would prefer to avoid crowds and have a smaller community experience during large-scale company events, such as our monthly All-Hands meetings
- Partnered with Talent + Development and external speakers to drive behaviors of Inclusive Leadership

### DRIVE TALENT DENSITY

We recognize the value of internal talent. This year, we empowered a diverse group of talented team members by:

- Hosting career-coaching sessions focused on self-branding, owning your career journey, and mentorship
- Partnering with our Software Development team to identify new sources of diverse talent and developmental opportunities in the field of STEM (science, technology, engineering, and math) for team members from historically underrepresented backgrounds
- Starting the groundwork for Peloton's first official mentorship program to increase knowledge and skill-sharing among team members and functions

### OUR EMPLOYEE RESOURCE GROUPS (ERGs) AND INCLUSION FORUMS (IFs)

#### ACE@Peloton

The Asian Community ERG (ACE) aims to foster the Asian-Pacific Islander community by creating a safe space to address a broad range of topics, from cultural issues to ongoing career support and development.



#### Australia Inclusion Forum

Launched in August 2022, the group is committed to embedding diversity through a collaboration of ERG/topic leads, working together to deliver programming, and pooling skills and resources.



#### Black@Peloton

With the aim of promoting individual and collective growth through various resources and networking opportunities, Black@Peloton focuses on areas such as recruitment, retention, and professional growth.



#### LHIT@Peloton

The Latinx/Hispanics In Tech's (LHIT) mission is to celebrate Latin/Hispanic cultures at Peloton with a drive to advance professional, personal, and educational opportunities for its members and partners.



#### The Parenthood Journey

The mission of The Parenthood Journey is to create an open space to discuss all aspects of working parenthood through relevant events, providing education and facilitating resource-sharing for our team members.



#### Peloton Pride + Allies

Peloton Pride seeks to empower and support LGBTQ+ team members and allies in line with the company's overall mission of being the world's best place to work by recognizing that a safe and inclusive work environment is critical.



#### Thrive

This ERG's mission is to ensure Peloton meets mental health, neurodiversity, and disability needs collectively at the individual, team, and organizational level.



#### Veterans@Peloton

The mission of the Veterans@Peloton ERG is to build camaraderie between former service members and educate team members on veterans' affairs.



#### Women's Alliance

The Women's Alliance is committed to making Peloton the best place to work by fostering an environment where empowered women can thrive through awareness, professional development, networking, and mentorship.





**DIVERSITY AT PELOTON**

In the past year, our teams have made strides toward achieving high-quality and effective data reporting. With the completion of more comprehensive engagement and exit surveys, as well as our emphasis on developing ERGs for new communities, we were able to gain an accurate overview of the many people who make up our Peloton team. Our engagement surveys have allowed us to identify DEI as a top-scoring area, ranking fourth in overall engagement score.

Each day, we make progress toward our goal of achieving reliable global data and total transparency regarding our team's diversity. We are continuously refining our systems to implement robust and accurate methods of collecting, analyzing, and reporting the data that paints a clear picture of Peloton. As part of this, we recognize that there are opportunities for Peloton to better communicate and engage with team members around the importance of contributing to an internal view and understanding of who we are as a company.

We report on gender globally because it is the most reliable and widely referenced demographic category. Today, our data around ethnicity is more reliable in the US, where our business is headquartered and where most of our workforce is located. Our aim is to improve self-identification data collection in our other territories, to the extent permitted by law, to better match US data collection standards while recognizing regional differences in how racial/ethnic groups may be expressed. This data will inform future DEI programming, team member benefits, and engagement opportunities.

	July 2022 (%)	July 2023 (%)
Self-ID Rate <sup>10</sup>	64.9	80.5
Data Completion Rate <sup>11</sup>	50.6	72.3

<sup>10</sup> Our Self-ID Rate is the percentage of team members who voluntarily disclosed demographic information, including choosing to "prefer not to identify," in one or more of the 6 DEI fields: race, gender, sexual orientation, disability status, caregiver status, and veteran status.

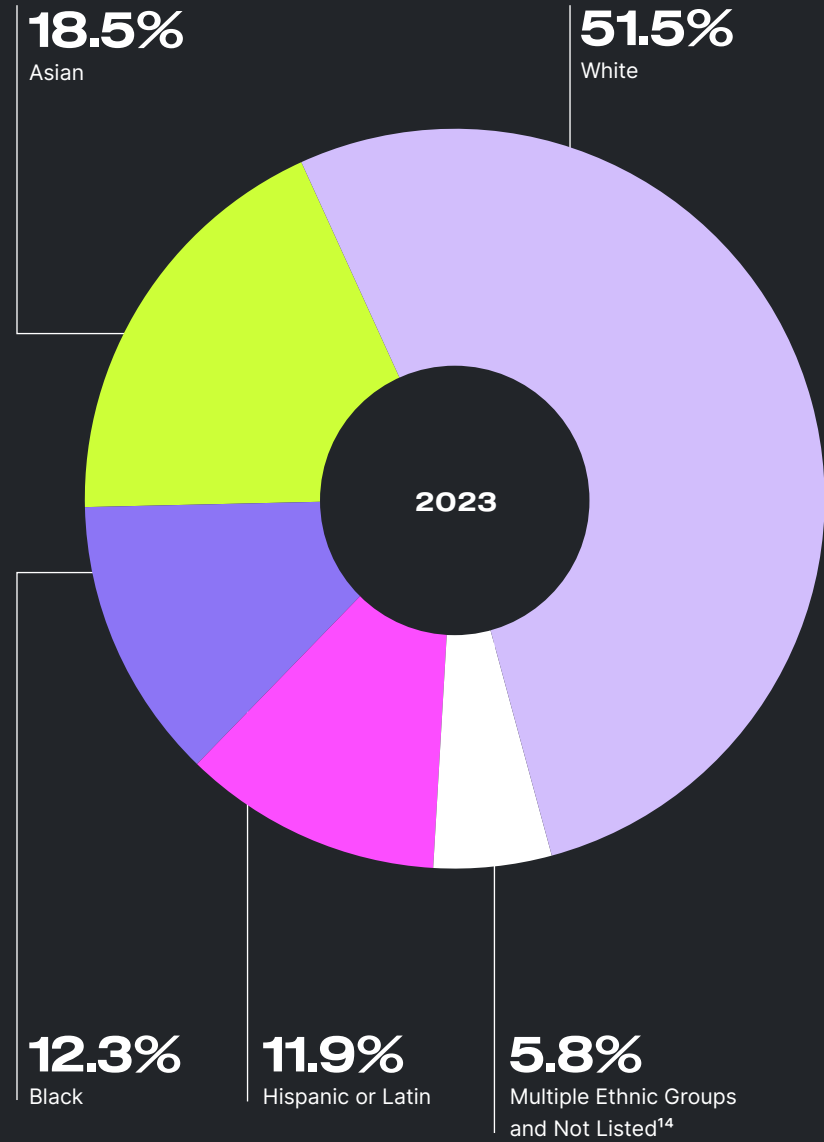
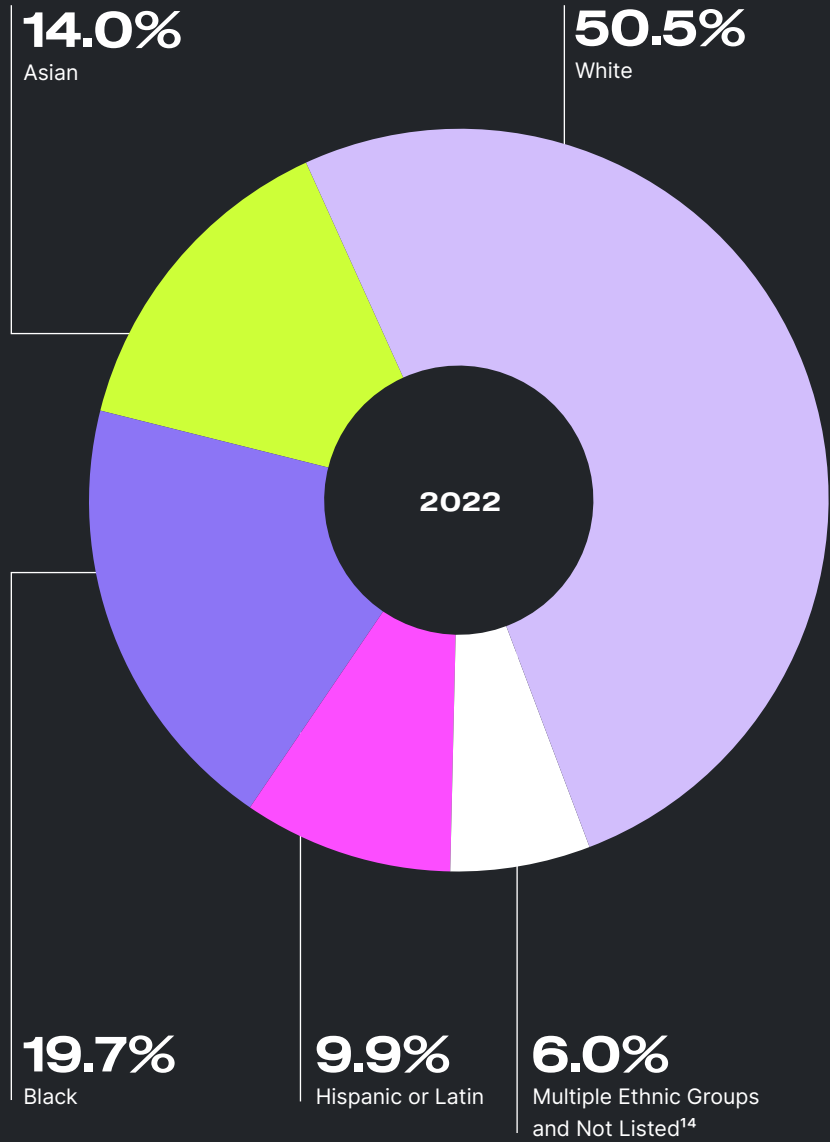
<sup>11</sup> Our Data Completion Rate is the percentage of demographic data fields with a self-ID response, excluding "prefer not to identify." We respect our team members' choice to not disclose their demographic information if that is their preference.





# PELOTON RACE REPRESENTATION<sup>12, 13</sup>

(US team members)

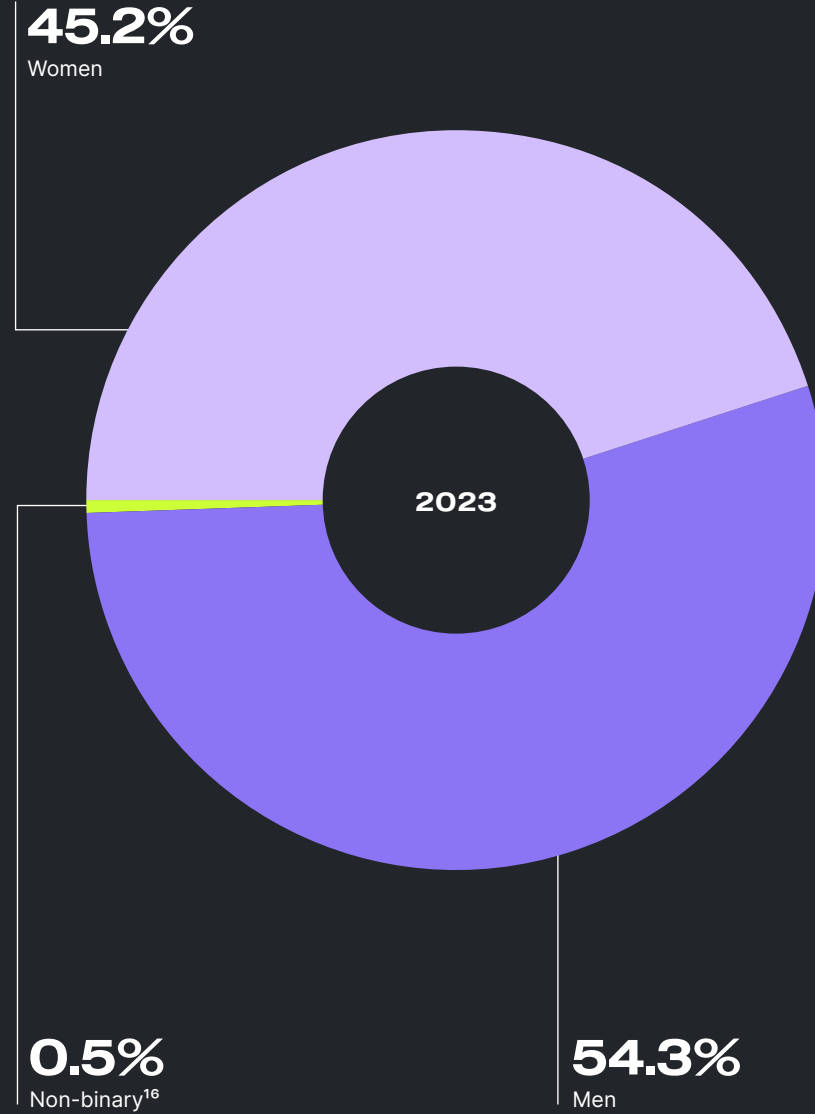
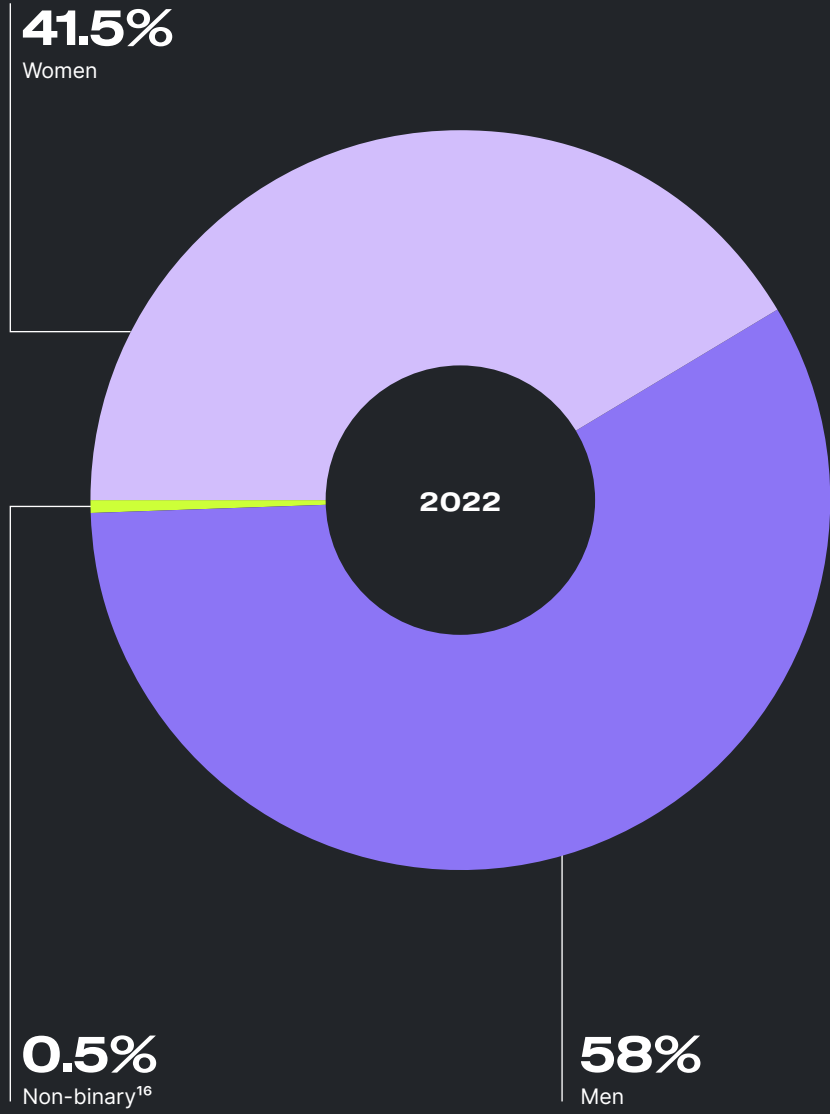


12 These figures are as of July 2022 and 2023.  
 13 Precor employees are omitted from this data.  
 14 "Multiple Ethnic Groups and Not Listed" includes Native Hawaiian or Pacific Islander, American Indian or Alaska Native, and not listed.



# PELOTON'S GENDER REPRESENTATION<sup>15</sup>

(Global team members)



<sup>15</sup> These figures are as of July 2022 and 2023.

<sup>16</sup> "Non-binary" includes Agender, Gender Fluid, Intersex, Non-Binary, Trans Man, Trans Women, and Transgender.



# FOR ANYONE



# ANYWHERE

PELOTON

## FOR THE WELL-BEING OF OUR COMMUNITY

Peloton is for anyone, anywhere, at every stage of their fitness journey. That's why we strive to democratize access to physical and mental wellness through our products, content, and community initiatives.



**In this section**

- 21 Igniting positive change for Members
- 26 Our social impact partnerships
- 32 Economic empowerment and supplier diversity

We know the power of boosting mental and physical well-being and unlocking their incredible benefits. That's why we want these benefits to be enjoyed by as many people as possible—increasing access to physical fitness and mental health and creating inclusive products and experiences for anyone, anywhere.

**Key**  
 Reached ✓ In progress ⋯ Not met ✗

## OUR PARTNERS

### FY23 Pledge partners

- Beyond Blue
- Center for Antiracist Research
- GirlITREK
- International Psychosocial Organisation
- Local Initiatives Support Corporation
- Sporting Equals
- TAIBU Community Health Centre
- The Steve Fund

### Heritage partners

- 261 Fearless
- Ali Forney Center
- Asian American Federation
- GLADT
- London Friend
- Mixteca
- The 519
- United Service Organizations

## OUR COMMITMENTS

### ⋯ Social impact partnerships

We commit to investing at least 1% of our annual pre-tax operating income in community partnerships, beginning in FY24. Additionally, we will continue to actively leverage Peloton's resources to provide support to our partners, including both financial contributions and non-monetary assets and assistance.

### ⋯ Democratize access to fitness and create inclusive and accessible experiences for Members

In our pursuit of a diverse and inclusive Member community, we make sure to regularly gain insight from our Member population. We take into account their experiences regarding inclusion, community, and representation—using these learnings to guide the development of our products, content, and experiences.

### ⋯ Empowering community wellness

We aim to directly reach 500,000 people by end of FY25 through global community engagement programming grounded in enabling self-efficacy through positive physical and mental wellness experiences.

## OUR WORK

Celebrated 2 years of social impact partnerships in action, including organizing 14 studio, retail, workplace, and virtual community events. Paired 14 of Peloton Instructors with each of our 8 Pledge partners across the US, UK, Canada, Germany, and Australia in a new Instructor Ambassador Program, supporting our goal to amplify our partners across Peloton's communities.

Conducted an Inclusion and Accessibility survey with our Member community for the second year running. Continued to ideate and produce classes that celebrate the diversity of our Member community and cultivate inclusion, including 88 new heritage classes.

Since FY22, we have reached approximately 200,000 individuals through community engagement programming, including partnership investments, curated Peloton classes and content, and community activations involving our partners.



# IGNITING POSITIVE CHANGE FOR MEMBERS

From day one, our mission has been to empower our Members to embrace happier, healthier lives. We are cultivating more opportunities for people to improve their overall health, fostering a profound body-mind connection and existing as part of a community of positivity and support.

The Member community at Peloton invites anyone, anywhere to join together in collective support of better physical, mental, and emotional well-being. We are committed to tackling barriers that stand in the way of that journey—such as discrimination or exclusion due to race, age, economic standing, and ability—and will continue striving to create inclusive content, accessible products, and experiences that serve our diverse Member community.

## FOSTERING A DIVERSE AND INCLUSIVE MEMBER COMMUNITY

By opening a dialogue to understand how our Member community feels, we aim to cultivate inclusive and accessible experiences and meet our pledge to democratize access to fitness.

Following a 2023 refresh of our brand to be more representative and showcase the diversity of our Member community, we have seen a mix shift in Peloton App downloads toward men, Gen Z, and Black and Hispanic Members. Our messaging of “anyone, anywhere, anytime” appears to be resonating as we’ve seen

a meaningful positive shift in perception across a range of measures, including gains among Gen Z and customers who are just beginning their fitness journeys.

We continued enhancing Member surveys to better understand their experiences with Peloton products and the community. This led to many new insights that are already impacting our programming.

For the second year running, we conducted our Inclusion and Accessibility survey—answered by over 1,000 US Peloton Members. Diversity criteria included gender identity, age, ethnicity, race, and sexual orientation. This survey, developed by our User Research team in collaboration with our ERG, DEI, and ESG teams, is designed to gather Member sentiments around inclusion, community, and representation.

The survey results showed that an overwhelming majority of respondents (93%) indicated that their experience with Peloton has helped improve their physical fitness and mental health as well as their feelings of belonging within the Peloton community. In particular, non-white men aged 25–39 reported feeling the most integrated into the Peloton community.

The research also uncovered areas for improvement, including Members’ observation of the opportunity to improve representation of larger body types on our platform. The team is socializing and internalizing the learnings to help inform the way we show up for our Member community.

We also updated our [Community Guidelines and Content Moderation Policy](#) to create a safer environment for our Members.

### FY23 Peloton Inclusion and Accessibility survey results<sup>17</sup>

Insights from this annual survey inform how we research, design, and create products, content, and experiences. Most importantly, the results show our products and services are achieving what they’re meant to.

#### Peloton Inclusion and Accessibility survey

## 93% OF RESPONDENTS AGREE THAT:

- Peloton has improved their relationship with their bodies
- Peloton has improved their mental health
- They have a place to belong in the Peloton community

<sup>17</sup> The survey was conducted Feb–March 2023 to measure user sentiments surrounding community, representation, mental health, and overall belonging; perceived usability by assistive tech usage, self-reported disability status, and age. The survey was answered by more than 1,000 US Peloton Members. Diversity criteria included age, disability status, ethnicity, gender identity, race, and sexual orientation.



### ACCESSIBLE PRODUCTS AND CONTENT

We aim to use technology and design to connect the world through fitness. By embracing innovation, we strive to break down barriers and enhance accessibility, enabling more people to benefit from our platform—particularly those facing systemic challenges in accessing physical fitness and mental well-being.

#### Products and content for anyone, anywhere

At Peloton, we recognize and celebrate the diverse fitness abilities and aspirations of our Members. We strive to deliver a wide range of classes, content, and product features that are carefully designed to help each Member reach their personal goals—meeting them wherever they are at in their wellness journey.

“I felt better the first workout I did. Mentally I felt great that I picked myself back up and not only started over again but I decided I wanted to change, not the person I used to be, but the person I always wanted to be.”

Member, Peloton community

Accessibility remains integrated into Peloton’s product development process, and is built into product development guidelines and checklists across software and hardware teams. We seek to integrate inclusive fitness features and experiences that cater to Members with a variety of disabilities. We also recognize that this is an ongoing journey and aim for continuous improvement.

In March 2023, the Product team hosted an accessibility empathy lab on-site at our New York HQ in partnership with external accessibility experts. Peloton team members were able to interact with a wide variety of assistive technologies to learn how these technologies function and experience innovative accessibility solutions. They also had the chance to speak to people with disabilities and learn more about accessibility needs from the people who have to negotiate these challenges as part of daily life.

Starting with the Bike in FY20, we have worked to incorporate Google’s [TalkBack screen reader](#) into our connected fitness units for Members who are blind or who have low vision. In FY21, we expanded this feature to the Bike+ and in FY23 to the Tread and Row.

We were pleased to continue working closely with blind and low-vision users to help inform accessibility improvements to features of our newest product, Row, including Form Assist. In the case of Form Assist, TalkBack will audibly state the error a user is making while rowing.

#### Pledge Pillar 4

## CREATE INCLUSIVE AND ACCESSIBLE EXPERIENCES FOR MEMBERS

- Tracking and regularly sharing how we’re progressing on fostering a diverse and inclusive Member base
- Exploring and expanding ways of making our platform and products more inclusive and accessible to communities experiencing systemic inequities and racial injustice



Since Logan Aldridge joined our team in FY22 as Peloton’s first adaptive training Instructor, we have continued to make progress in enhancing the accessibility of our products and content. In the future, we strive to continue working with accessibility groups and communities to build our adaptive training collection and programs in FY24 and beyond. Peloton Studios continues to be a community hub where we welcome individuals, adaptive community groups, and organizations.

Our main goal has been ensuring inclusivity for our products and services. As part of that, we have been focused on integrating inclusive language and accessible modifications in all Peloton classes, harnessing the power of our content and software to make experiences inclusive for everyone.

**Making access more affordable for more Members**

We are actively seeking ways to make our products and content more financially accessible to potential Members with economic barriers. By offering lower-cost models, such as Peloton Rental and Peloton Certified Refurbished, we are broadening our products and content to reach new audiences. Find out more about how our circular models are making our services more accessible and affordable on [page 40](#).

In FY22, we piloted the Peloton Rental bundled subscription service that lets Members lease a Bike and access our entire library of classes, fitness programs, and features for a single monthly fee. Subscribers have the option to cancel their subscription at any time or choose to buy equipment they have been renting with special buyout options.

Our newly launched App Membership tiers are another way we aim to meet our Members where they are financially. The tiering system offers greater flexibility and accessibility, including 3 levels that vary both in price and the content offered. These include a Peloton App Free tier, which offers access to 50 classes across 12 of Peloton’s 16 exercise types. There is also the option of App One—for access to classes across 9 modalities, 3 equipment-based cardio classes monthly, and access to Peloton’s Challenges, Programs, and Collections—and App+ for unlimited access to Peloton’s entire library. Regardless of budget, we are making content more accessible so that even more people can experience the benefits of mental and physical wellness.



**CURATING INCLUSIVE EXPERIENCES: CELEBRATING ADAPTIVE FITNESS AND CAREGIVERS**

In November 2022, Peloton collaborated with the Christopher & Dana Reeve Foundation to launch a special adaptive fitness program designed to bring challenging and immersive workouts to seated athletes. This program, designed in partnership with Reeve Foundation community members and experts in spinal cord injury and paralysis, also included content tailored to caregivers. These adaptive training sessions featured classes aimed at building and maintaining both the physical and mental strength needed to fulfill a caregiver role.



## PRODUCT SAFETY

Product safety is a top priority at Peloton. Retaining the trust of our Members requires thoughtfully designed processes that help ensure our products, parts, and services undergo a comprehensive safety review before they are introduced to the marketplace.

Senior leadership is responsible for overseeing product safety issues across our operations, and in FY22 we formalized oversight of our Product Safety Compliance program through the executive product safety committee (EPSC). The EPSC reports to Peloton's CEO as well as the audit committee of the Board of Directors, which provides further oversight of Peloton's product safety program and processes. Dedicated cross-functional technical and safety compliance professionals manage all major safety processes and procedures.

We take a comprehensive approach to product safety, from new product development safety standards and reviews to post-market safety monitoring. Where appropriate, we work cooperatively with the US Consumer Product Safety Commission (CPSC) and other regulators.

We continually monitor Members' safety feedback and product experiences, incorporating insights as part of our continuous improvement efforts. We apply these learnings in voluntary standards development activities to enhance product safety outcomes. In addition, we develop enterprise product safety standards and engage with stakeholders on safety benchmarking and consumer awareness activities.

We reinforce our commitment to product safety by providing regular training to appropriate team members, and we reinforce the importance of product safety through our Product Safety Business Policy. This year, we did not receive any letters of advice or other regulatory violations.





As part of our safety approach, we have taken the following actions:

- We engage with ASTM International, a global voluntary standards development organization that publishes safety standards for various consumer products, and the International Consumer Product Health and Safety Organization, a consumer product safety organization that brings together consumer advocates, consumers, manufacturers, and others, along with the CPSC and other safety regulators.
- We make information about Peloton's prior product recalls readily available on our website, where we have a [dedicated support page](#), and publish safety best practices on our [Product safety at Peloton page](#), to educate our Members on the safety features of our connected fitness products, as well as safety-enhancing recommendations.

- In May 2023, we announced a [voluntary recall in North America of the Peloton original model Bike](#) due to a risk that the seat post could break. Since then, we have been providing Members with the improved seat post at no charge and have fulfilled a substantial percentage of the outstanding requests. We continue to prioritize this effort and publicize information for this recall on our website.
- Also in May 2023, we announced the approval from the CPSC of Tread+ Rear Safety Guard, as part of the remedy for the [Tread+ recall](#). This innovative safety feature will further enhance the safety of Tread+, building on the Tread Lock passcode, safety key, on-screen and in-class instructor warnings, and more.

### PRODUCT QUALITY AND SYSTEMS

Since the establishment of our Quality, Safety, & Product Lifecycle Management team, Peloton has seen more design and manufacturing consistency, with end-to-end oversight of quality, technical product safety, and compliance, and all product lifecycle management tools.

Our three main manufacturing partners are ISO 9001 certified and follow industry best practice standards to ensure that our products consistently meet Peloton's product quality standards. Quality is a responsibility of all and is embedded in all phases of our product lifecycle management.

Peloton has made significant investments in product lifecycle and quality lifecycle management tools and systems. These investments enable a better change control process, a tighter control on design, and improved manufacturing execution with our Tier 1 manufacturing partners. In addition, it allows us to scale process automation, which also supports other ESG-related supply chain initiatives.

### SMART, SAFE MATERIALS

Our objective is to monitor and, wherever possible, eliminate any materials and substances of concern from our products, parts, and apparel. Through our restricted substances control process, we're not only prioritizing the well-being and safety of our Members, but also steering clear of chemical materials that pose a risk to safety. We are also committed to advancing responsible sourcing practices across our supply chain. Read more about our ongoing efforts on [page 46](#).

Peloton's restricted materials process requires all our suppliers to evaluate products and apparel to ensure compliance with chemical legislation and Peloton's standards.



# OUR SOCIAL IMPACT PARTNERSHIPS

To build the foundations of stronger communities, we must first break down the barriers that stand in the way of physical and mental wellness.

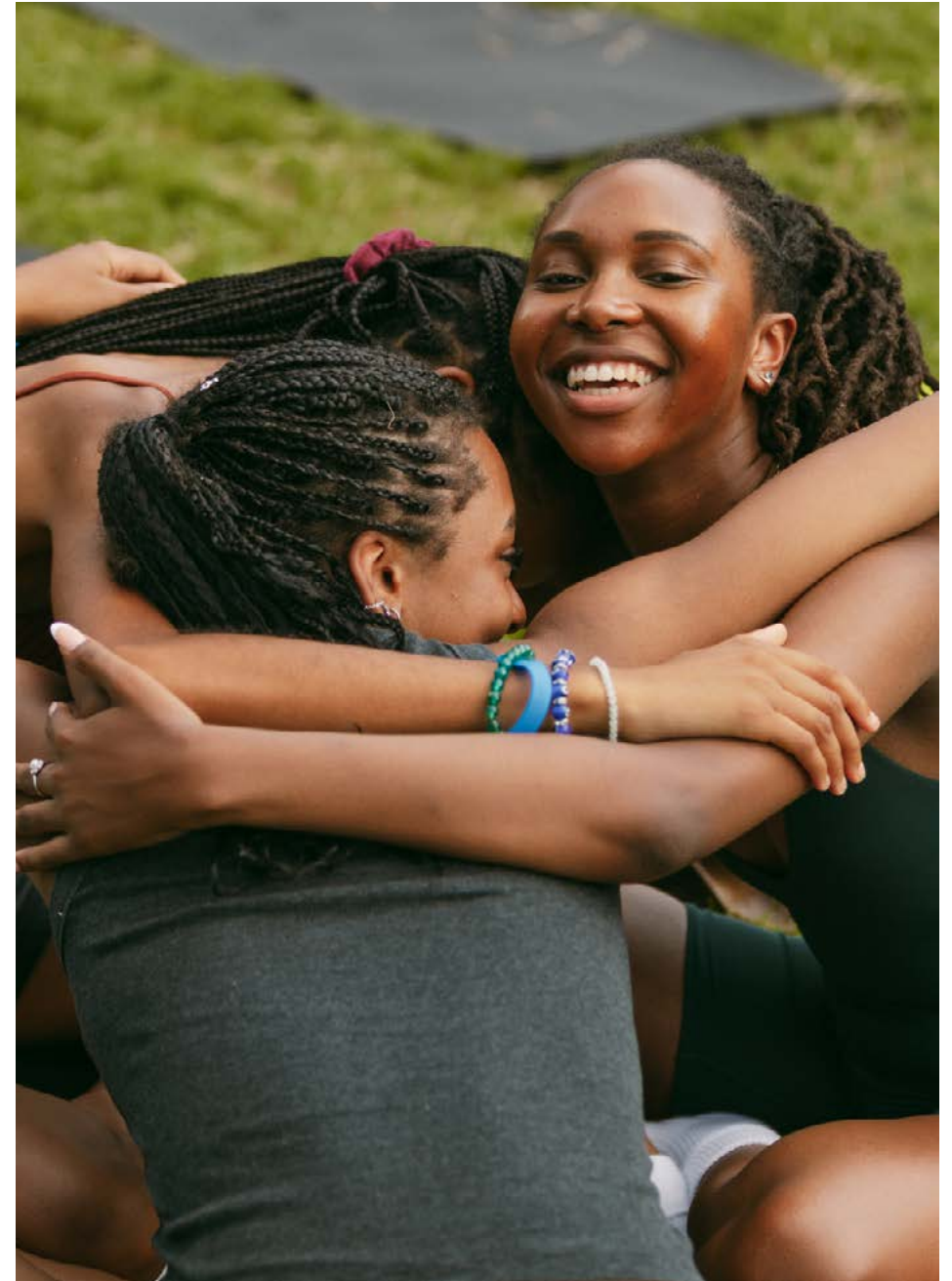
## Pledge Pillar 3

### DELIVER IMPACT THROUGH COMMUNITY INVESTMENTS

- Celebrated 2 years of social impact partnerships in action across the US, UK, Canada, Germany, and Australia
- Organized 14 studio, retail, workplace, and virtual community events
- Since FY22, we have reached approximately 200,000 individuals through community engagement programming, including partnership investments, curated Peloton classes and content, and community activations involving our partners

To drive lasting positive change, we:

- Identify populations within the Peloton community that experience systemic racism, discrimination, and health disparities
- Work to understand barriers to physical fitness and mental health faced by our focus communities
- Foster a spirit of deep collaboration to take the lead from on-the-ground organizations and thought leaders that know how best to address the most salient barriers in their communities
- Measure and leverage program outcome data to strengthen our approach to shifting knowledge, attitudes, and behaviors in ways that lead to improved health and wellness
- Maintain an open channel with our partners to understand their ongoing and evolving needs and opportunities for impact, and think creatively about how Peloton can leverage resources to support; because we consider the approach to be as important as the work itself





### OUR PLEDGE PARTNERS

FY23 marked the second year of our Pledge partnerships in action, impacting tens of thousands of lives across our 5 markets (US, Canada, UK, Germany, and Australia). We are proud to share that all Pledge partners made significant progress in expanding access to mental and physical health, with Peloton helping to reinforce their strengths and reducing organizational challenges.



#### Beyond Blue

Beyond Blue is an Australian community-centric organization that has provided resources for people at all stages of the mental health continuum for over 20 years. Peloton proudly backs the Beyond Blue Support Service, which allows people experiencing anxiety, depression, or thoughts of suicide to get immediate help, advice, and resources online. Peloton's funding has helped Beyond Blue increase accessibility to mental health services in Australia, especially in times of increasing demand and financial difficulty.

#### Center for Antiracist Research

The Center for Antiracist Research at Boston University aspires to build an anti-racist society that ensures racial equity and social justice. Led by anti-racist scholar Dr. Ibram X. Kendi, the Center seeks to focus on uprooting the hows and whys of racial inequities.

This past year, the Center collaborated with Florida State University to host three Social Justice Meetups to give space for storytelling related to racial trauma. These community conversations helped 281 individuals from vulnerable groups heal personally, while also educating and motivating communities to accelerate anti-racist policy change that will reduce race-based violence and improve the lives of those impacted by it.

#### GirlTrek

GirlTrek is America's largest nonprofit focused on the health of Black women and girls. The organization aims to inspire its network of over 1.3 million Black women and girls to use daily walks as a practical healing tool for combating inactivity, isolation, and injustice.

The organization's walking events and challenges have led to increased physical activity among GirlTrek members. In GirlTrek's July 2022 survey of 1,290 members, 95% of respondents reported that they walked at least once a week.



## HOSTING GIRLTREK IN PELOTON SHOWROOMS

On March 10, 2023—Harriet Tubman Day—Peloton stores transformed into Harriet House Parties for GirlTrek and Peloton Members across the US. Attendees were invited to envision the necessary support for personal liberation, share empowering affirmations, and commit to daily walks.



**International Psychosocial Organisation**

The International Psychosocial Organisation (IPSO) uses an innovative approach to provide culturally responsive mental health resources for the community, by the community. Based in Berlin, it maintains a network of counselors from more than 20 nations and in over 20 languages. Peloton has supported ongoing value-based counseling sessions for migrants and refugees in Berlin, as well as Ipsos’s mental well-being video app to make counseling more accessible to mobile communities. Ipsos has collected feedback from 150 clients over the past year and found that 96% reported that their counseling experience was positive, and 70% reported that counseling empowered them to find positive, self-efficacious solutions to their problems.

**Local Initiatives Support Corporation**

Local Initiatives Support Corporation (LISC) is a nonprofit dedicated to closing racial health, wealth, and opportunity gaps. Peloton is working with LISC as part of its ambitious racial equity agenda to enhance facilities where people can grow through movement, mindfulness, and more. Together, to facilitate new and enhanced fitness spaces that include Peloton equipment and programming, we’re partnering with:

- The Women’s Housing and Economic Development Corporation (WHEDco) in the Bronx, New York City
- The YMCA of Greater Toledo’s Wayman D. Palmer branch in central city Toledo, Ohio
- Claretian Associates in South Chicago

Our partners have observed positive changes in behaviors and attitudes around physical and mental well-being within the communities they serve. In a survey of residents who used the fitness space at WHEDco’s Bronx Commons from December 2022 to March 2023, 60% indicated they were doing more physical activity than they did before the wellness center opened, and 68% shared that they were doing more activities to support stress reduction/mental wellness. All respondents agreed that “someone like me” was welcome at the center and that the center had given them a more positive attitude toward health and fitness. At the Wayman D. Palmer YMCA, 86% of fitness space users surveyed from January to February 2023 felt the equipment and wellness programming had helped them reach their physical fitness goals. These centers have proven to provide inclusive spaces, increasing access to and engagement with physical fitness and mental health.

**Sporting Equals**

Sporting Equals works with a network of grassroots partners to promote ethnic diversity across sport and physical activity across the UK. Their BACK2ACTIVE program delivered nearly 5,000 fitness sessions—from Bollywood dance to boxing—that reflect the diversity of the communities they serve and promote healthy, active lifestyles.



**CELEBRATING INTERNATIONAL WOMEN’S DAY WITH SPORTING EQUALS**

On International Women’s Day 2023, Peloton welcomed Sporting Equals to our London office to take part in a panel discussion on how to make sport more equitable, inclusive, and impactful. Members of the Sporting Equals community also joined Peloton Instructor Susie Chan for a live Women’s History Month-themed Tread class.



**TAIBU Community Health Centre**

TAIBU focuses on strengthening the health and well-being of Black communities across the Greater Toronto Area through culturally appropriate physical fitness activities and health promotion programs across generations. As a result of their program, TAIBU has found significant positive changes in individuals’ attitudes, behaviors, and knowledge related to physical fitness.

In surveys conducted by TAIBU between October 2022 and June 2023, 90% of the 94 participants surveyed indicated that their overall health improved, and 90% of participants indicated that their mental health improved or stayed the same due to participation in TAIBU’s programs.

**The Steve Fund**

The Steve Fund promotes the mental health and emotional well-being of young people of color (PoC) and their families. Together, Peloton and the Steve Fund are amplifying its mission to bring culturally competent mental health resources and programs to communities across the US.

Over the past year, the Steve Fund has delivered several series of workshops and support groups that positively impacted participants’ knowledge and attitudes around mental health. The Steve Fund surveyed 1,300 participants throughout 2022 and found that after participating in these sessions, 100% of participants reported increased awareness and knowledge across various key topics, such as a deeper understanding of mental health and its intersection with stigma, racism, stress, and religion.

The Steve Fund also facilitated greater insight regarding how personal experiences and cultural background can impact mental health. Following the support groups, 100% of participants reported gaining enhanced knowledge about the strengths and values of their culture—aligned with our mission for community members to feel a sense of belonging and positive well-being.



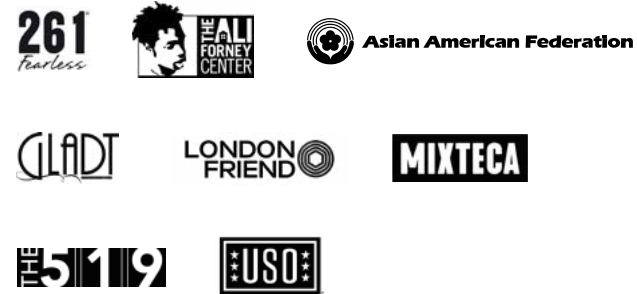
**HONORING THE POWER OF COMMUNITY FOR MENTAL HEALTH**

In honor of Mental Health Awareness Month, Peloton hosted a panel featuring the Steve Fund’s Dr. Marcia Liu and Peloton Instructor Mariana Fernández on the importance of community and connection for mental health. This panel was made available to Peloton’s Corporate Wellness partners.



### HERITAGE PARTNERS

We work closely with a group of carefully selected cultural heritage partners who are increasing access to fitness and wellness for communities around the world.



“[Peloton’s] continued support of our work and our partnership are incredibly important to help fund these lifesaving programs for our LGBTQ+ youth. During this time, especially as rights for the community are being challenged across the country (US), your support allows us to provide safety and security for our at-risk youth.”

Ali Forney Center

### 261 Fearless

261 Fearless is a global organization helping women from varied backgrounds gain self-esteem and grow in fearlessness through running in the US, UK, Germany, and Canada. Together, we’ve expanded their high-quality, year-round education program to new women leaders and coaches. As a result, more people have access to these clubs, which has led to increased resilience, fitness, and health. From January to April 2023, 261 Fearless surveyed 196 members and found that 50% reach the World Health Organization’s physical activity recommendation of 150 min/week, while member inactivity (less than 60 min/week) decreased by 200% after joining a 261 club.

### Ali Forney Center

The Ali Forney Center (AFC) protects LGBTQ+ youth from the harms of homelessness and equips them with the tools needed to live independently. Peloton’s funding supported AFC’s medical and mental health services for over 300 homeless youth for one year, including intensive care management, therapy, transgender care, and art therapy programs.

### Asian American Federation

The Asian American Federation (AAF) works to further justice, wellness, and opportunity for Asian American communities. Building on our existing partnership, Peloton has been supporting AAF’s mental wellness initiatives for Asian American individuals and families as part of AAF’s Hope Against Hate Campaign. As a result of the campaign, mental health improved—if measured by a reduction in fear and an increase in a sense of agency. Moreover, participants in the campaign’s Community Safety and Training programs reported the programs helped them feel safer in their neighborhoods.

“Peloton’s support of our Hope Against Hate Campaign during our first full year of implementation has allowed us to deliver a robust response of immediate and preventative solutions to our communities to address anti-Asian violence.”

AAF



**GLADT**

GLADT is a Berlin-based organization that provides well-being support to Black, Indigenous, and PoC LGBTIQ+ people through counseling, workshops, and events. Peloton is proud to support GLADT’s mental wellness programs, which expanded over the past year to include 20 mental health and movement workshops and additional counseling services for their community members.

**London Friend**

London Friend provides counseling and support group services for the LGBTQ+ community. With Peloton’s support, London Friend has expanded its work to improve the mental health and well-being of LGBTQ+ people. Over the past financial year, the organization has seen a 76% increase in the number of clients it has been able to support. In a survey of 137 group session attendees, 86% reported improved mental health and well-being.

**Mixteca<sup>18</sup>**

Mixteca’s mission is to empower the Latin American and Indigenous communities in New York by providing them access to services that enhance their quality of life, allowing them to reach sustainable social and economic development. Peloton began partnering with Mixteca in August 2023 (Q1 FY24) to support their Mental Health & Resilience Program for Asylum Seekers, which provides intergenerational, culturally guided, and language-specific mental health counseling with a focus on immigration trauma and gender-based violence.

<sup>18</sup> We initiated exploratory conversations with Mixteca in FY23 and solidified our partnership in Q1 FY24.

**The 519**

The 519 is a Toronto-based organization that provides a wide range of services and supports built by, with, and for 2SLGBTQ+ communities. Peloton has helped The 519 foster stronger health and wellness for their most vulnerable community members through funding vital workshops and activities for newcomers, youth, Black, Indigenous, and racialized communities, and people living on low incomes. From June 2022 to May 2023, The 519 developed and delivered 27 dedicated physical and well-being workshops and activities for 180 participants. Qualitative data from participants point to strong increases in feelings of self-worth, body positivity, and connections to community—values at the core of Peloton’s mission.

**United Service Organizations**

Peloton has partnered with the United Service Organizations (USO) to stand by our military service members, veterans, and their families. During New York Fleet Week, our enthusiastic team members and Instructors joined in celebrating the Sea Services, with team members volunteering during the event and Peloton Instructor Marcel Dinkins proudly representing us at the Parade of Ships. On top of that, Instructor Tunde Oyeneyin led a high-energy, in-studio ride, with some special guests from the US Navy, Marines, and Coast Guard. Peloton also donated Peloton App memberships to support the well-being of military spouses.



# ECONOMIC EMPOWERMENT AND SUPPLIER DIVERSITY

Beyond the products, services, and experiences we offer, we are also committed to integrating our core values into Peloton's everyday business operations, including procurement practices and asset management decisions.

Our aim is to use our business for good, providing support to businesses and institutions that have historically faced systemic racism and discrimination.

## ECONOMIC INCLUSION AND SUPPLIER DIVERSITY

Our dedicated Economic Inclusion and Supplier Diversity (EISD) team is helping us grow and sustain an inclusive supply chain that follows equitable sourcing practices and is focused within North America. As part of this process, our suppliers are expected to share our responsible business practices and commitments around DEI, ESG, and equitable sourcing.

Since launching EISD within Procurement in 2021 to create economic opportunities for underrepresented suppliers, our spend with diverse suppliers surpassed 3% in FY23.<sup>19</sup> We also have expanded internal protocols that help maintain our inclusive procurement practices.

In FY23, we:

- Developed training for Procurement team category managers
- Kicked off a Tier-2 reporting program with select suppliers
- Participated in an NGO-sponsored supplier mentorship and development program
- Increased our portfolio of small and diverse suppliers by more than 40

## EQUITABLE SOURCING

At Peloton, an inclusive supply chain includes the procurement of products and services from underrepresented entrepreneurs and diverse suppliers that identify or certify as MBE (minority), WBE (women), LGBTE (LGBTQIA+), VBE (veteran), DOBE (disabled), and other DBEs (diverse business enterprises).

Equitable sourcing helps Peloton practice responsible business, including holding suppliers accountable to our values and commitments, as well as sensible risk requirements, pay terms, and policies that enable social and economic opportunities within underrepresented communities. SEEN—Sustainable Economic Empowerment Network—is EISD's branded platform initiative to realize these outcomes.

In FY24, the EISD team will be focused on refining resources and expanding engagement internally in order to increase our percentage of diverse suppliers included in procurement sourcing events.

## TREASURY INVESTMENTS

Mindful asset management and investment is another innovative and powerful way we seek to generate social impact with our business. As pioneers in [J.P. Morgan's Empowering Change program](#), since February 2021, we have been involved in directing assets to support minority and diverse-led financial institutions—fostering sustainable revenue streams and economic opportunities. This scalable initiative connects institutions with large corporate clients, providing full access to J.P. Morgan's asset management resources and empowering positive change in communities with one transaction.

Peloton's investment has benefited numerous Minority Depository Institutions and Community Development Financial Institutions across the US, enabling them to amplify impact in minority and/or low- to moderate-income communities. By participating in the innovative program, the minority- and diverse-led financial institutions benefiting from Peloton's funding have been able to deploy additional loans for small, minority-owned businesses, invest in community development projects, introduce new technology to help them better serve clients, and grow and develop their teams.

<sup>19</sup> Percentage spend with diverse suppliers includes spending across indirect and direct supplier categories by Peloton. US and government/tax agencies are not included.





# LIVE BETTER

# ACT NOW

PELOTON

## FOR THE WELL-BEING OF OUR PLANET

Sustainability is at the root of a healthier population and planet, and a more resilient business. Our products and experiences help millions of people live better—for their today and for their future—and we recognize our role in protecting the planet we all share. By setting ambitious targets and sharing our progress transparently, we’re taking action to improve the environmental sustainability of our business.



**In this section**

- 36 Climate strategy
- 40 Circular business models

This year, we made strides in our environmental sustainability goals, focusing on transparency, carbon footprint measurement, energy efficiency, circular models, and climate change risk assessment.

20 The connected fitness products included in the scope are Peloton Tread, Bike, and Row product lines.  
 21 Target and progress updates do not include Precor.  
 22 Production units in scope: Peloton Tread, Bike, and Row product lines.

**Key**  
 Reached ✓ In progress ⋯ Not met ✗

## OUR TARGETS

- ✓ **Maintain transparency**, including disclosing our Scope 1, 2, and 3 emissions and TCFD climate risk analysis.
- ⋯ Develop and publish **product carbon footprints** for our key connected fitness products<sup>20</sup> by FY24.
- ⋯ Source **100% renewable energy** for our direct operations by FY26.
- ✓ **Reduce air freight by 95%** from a FY21 baseline, and maintain air freight at less than 2% of production units shipped annually.<sup>22</sup>
- ⋯ **Improve energy efficiency and landfill diversion** at our distribution sites.
- ⋯ Explore and expand **circular business models**, including Peloton Certified Refurbished and Rental.

## OUR PROGRESS

- Engaged in voluntary emissions disclosure** via the CDP Climate Change questionnaire and annual reporting in our ESG Report, including Scope 1, 2, and 3 emissions.  
  
Expanded reporting capabilities through risk analyses in line with guidance from the Task Force on Climate-related Financial Disclosures (TCFD) and International Financial Reporting Standards (IFRS S2).
- Started development of carbon footprint reports** for each of our key connected fitness products.
- Procured renewable energy credits** to cover 23% of our global energy footprint in FY23.<sup>21</sup>
- 0% of production unit shipments** were transported using air freight in FY23.
- Successfully piloted an energy management standard operating procedure** at our distribution center in Linden, NJ, resulting in a **44% decrease** in natural gas consumption against a FY22 baseline.
- Launched Peloton Certified Refurbished for Bike and Bike+** in continental US and Canada as a year-round offering in Dec 2022; launched Certified Refurbished Bike offering on eBay in Germany (Aug 2022) and the UK (Dec 2022).



Following the introduction of our initial sustainability targets outlined in our 2022 ESG Report, we are pleased to share an update on progress made in the last year. These achievements are just the start—propelling us to push our boundaries and strive for even greater improvements.

As we move forward, working to integrate environmental sustainability principles throughout our business, we continue to be guided by our long-term environmental aspirations.

**Our sustainability aspirations**

**CREATE FITNESS THAT LEAVES A MARK ON THE WORLD, WITH EQUIPMENT THAT DOESN'T**

Continuously improve the environmental impacts of our products and accessories, from materials to manufacturing.

**RECLAIM MATERIALS**

Pursue circular solutions across our products, supply chain, and interactions with Members and team members.

**WEAR SUSTAINABILITY ON OUR SLEEVE**

Tackle environmental challenges head on across our apparel business, from design to use and beyond.

**POWER UP FOR A CLEAN ENERGY FUTURE**

Look for opportunities to power our operations with renewable electricity.

**MOVE FROM FACTORY FLOOR TO FINAL MILE, AND BACK AGAIN, WITHOUT A TRACE**

Seek efficiency and decarbonization opportunities across our business operations and logistics network.



# CLIMATE STRATEGY

We believe in the potential of our business to help combat climate change, from the way our products are made to the way Members experience them.

We have taken significant steps to be more proactive in reducing our carbon footprint across our business, including declaring our commitment to set targets in line with the Science Based Targets initiative (SBTi). We are also developing product carbon footprints for our key connected fitness units, which will equip us with robust, quality data and help inform strategies to reduce the carbon impacts of our products. We have made significant progress, starting with our Bike, and are set to develop carbon footprint reports for our all of our key connected fitness products in FY24.

## New commitment

### OUR COMMITMENT TO SCIENCE-BASED TARGETS

We are committed to reducing our greenhouse gas (GHG) emissions, guided by science-based emissions reduction targets set in line with the SBTi's Criteria and Recommendations.

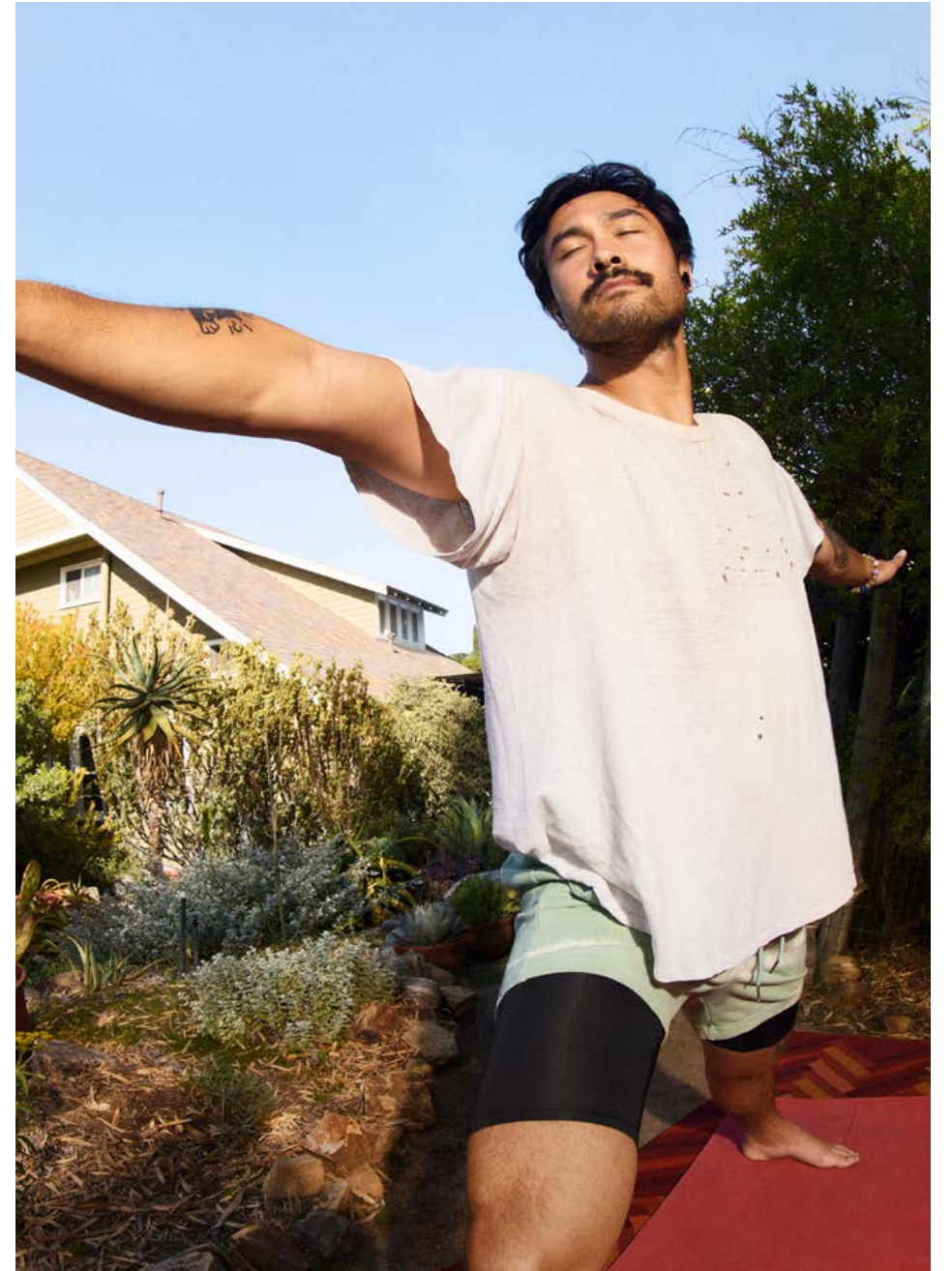
We have committed to setting near-term science-based emissions reduction targets (5–10-year GHG mitigation targets in line with a 1.5°C pathway) addressing our Scope 1, 2, and 3 emissions.

For the second year in a row, we responded to the CDP Climate Change questionnaire. This year, we were pleased to share further information on our approach to evaluating climate-related risks and opportunities, specifically the potential financial and operational impacts of acute physical climate-related risks.

In terms of governance, we maintain executive oversight of climate issues through our ESG steering committee. The committee comprises dedicated senior executives from a variety of functions across the business. Since its initiation two years ago, the committee has been instrumental in developing and approving our new sustainability targets and overarching ESG strategy. In addition to the management-level ESG steering committee's executive oversight of our climate strategy, the nominating, governance, and corporate responsibility (NGCR) committee of our Board of Directors also continues to maintain oversight of climate issues.

### OUR AMBITION, GROUNDED IN SCIENCE

Evolving our business practices to be more environmentally sustainable is crucial to our mission of helping people live happier, healthier lives—which is why, this year, we committed to set science-based emissions reduction targets. We look forward to taking this important step on our sustainability journey. Through partnership, innovation, and rigor, we aim to develop and implement strategies that lessen the overall climate impacts of our business.





**ASSESSING THE IMPACT OF CLIMATE CHANGE ON OUR OPERATIONS**

We take a multifaceted approach to managing both short- and long-term climate-related risks, considering many different categories. From including technology and legal changes, to market and reputational pressure, we employ a comprehensive risk assessment across our business. We maintain constant vigilance to support compliance with current regulations and proactive monitoring and response to emerging regulations.

This year, we conducted our first climate scenario assessment to quantify the potential risk and likelihood of physical climate hazards on our operations and supply chain. We evaluated the potential financial impacts of physical climate risks for a selection of Peloton-owned sites, leased properties, and key supply chain locations. Site selection was based on several factors, including strategic importance to business operations, value, and size. It included locations in Taiwan and China, where a large portion of our third-party manufacturing occurs, as well as a mix of administrative, content production, and warehouse/distribution center locations in our key largest markets (US, Canada, the UK, and Germany).

To conduct the assessment, we considered 3 established scenarios used in the Intergovernmental Panel on Climate Change (IPCC)'s sixth assessment report:

- SSP5-8.5 (business as usual), where emissions continue to rise throughout the 21st century unabated
- SSP2-4.5 (emissions peak in 2040), where emissions do not increase beyond 2040
- SSP1-2.6 (Paris-aligned scenario), where emissions are compatible with the objectives of the Paris agreement

Findings of the risk assessments are being leveraged to help support strategic planning and business decisions with the goal of improving the climate resilience of our operations.

“We know that there is an urgent need for global emissions reductions, and setting science-based targets is the next critical step on Peloton’s sustainability journey. With this commitment, we are taking our work to the next level in this decisive decade for climate action.”

**Julia Matthews**, VP, ESG



### ACCOUNTING FOR IMPACT

This year marks our third year of maintaining a comprehensive GHG inventory for our full value chain in line with the GHG Protocol Accounting and Reporting Principles, and of obtaining independent verification for all data from Apex Companies, LLC.<sup>23</sup>

We have worked to reduce our emissions through several pathways, including renewable energy certificate (REC) purchases, maintaining low levels of air freight, and advancing operational efficiencies at a key distribution center in the US.

### PELOTON GROUP EMISSIONS WORLDWIDE YEAR-ON-YEAR

(metric tons of CO<sub>2</sub>e)

#### FY23<sup>24</sup>

Scope 1	10,467
Scope 2 (market-based)	8,903
Scope 3	711,701

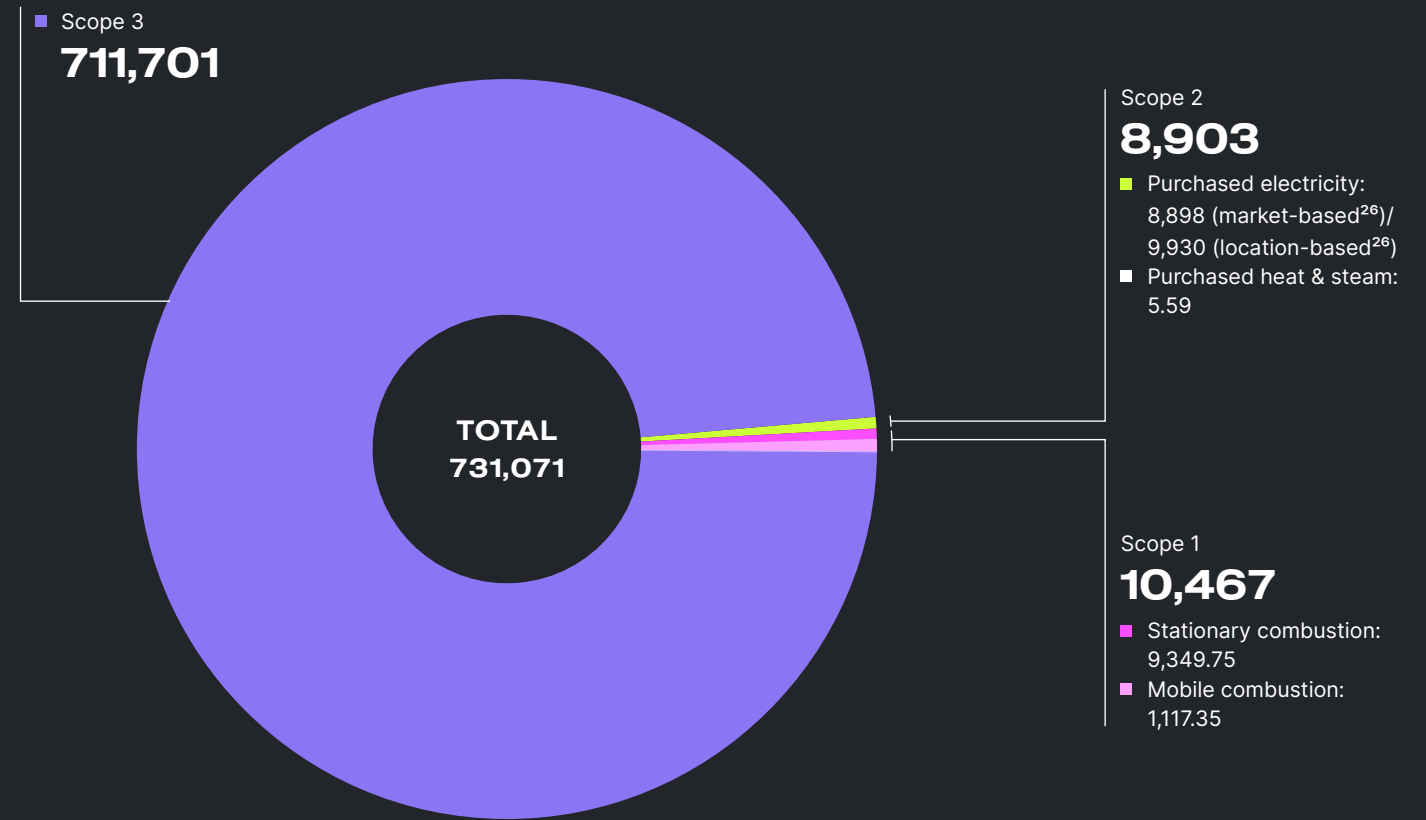
#### FY22<sup>25</sup>

Scope 1	15,718
Scope 2 (market-based)	8,745
Scope 3	1,336,256

#### FY21

Scope 1	18,367
Scope 2 (market-based)	6,214
Scope 3	1,942,507

### PELOTON GROUP EMISSIONS WORLDWIDE FOR FY23 (metric tons of CO<sub>2</sub>e)



<sup>23</sup> Peloton's FY23 Scope 1 and 2 data has been verified to a reasonable level of assurance. Our Scope 3 and Precor's Scope 1, 2, and 3 data has been verified to a limited level of assurance.

<sup>24</sup> Emissions associated with Precor are included in our FY23 GHG inventory (previously omitted in FY21 and FY22).

<sup>25</sup> We have issued a correction for FY22 Scope 3 data for the purchased goods and services category; the corrected data has been independently verified by Apex.

<sup>26</sup> Market-based emissions are those emissions from energy providers we use that might include different kinds of bundled energy attributes and that may be selected for financial benefits. Our location-based emissions are those emissions generated from grids we are using directly, usually due to proximity or infrastructure.



## UNDERSTANDING OUR GHG INVENTORY YEAR-ON-YEAR

From FY22 to FY23, Peloton’s Scope 1 emissions decreased due to a shift in last-mile delivery from Peloton-operated to third-party logistics. The consolidation of our real estate portfolio also contributed to a reduction in Scope 1 and 2 emissions over the same period. The decline in Scope 3 emissions from FY22 to FY23 was driven by a decrease in demand for our products as well as excess inventory, which contributed to a decrease in emissions associated with purchased goods and services.

## ACTIONS AND PROGRESS

We are continually working on enhancing efficiency throughout our operations, reducing waste, cutting down on Scope 1 emissions, and actively pursuing renewable energy solutions to decrease Scope 2 emissions.

### Sourcing renewable energy

This year, we made our first REC purchase for 5,200 Green-e Energy certified RECs,<sup>27</sup> affirming our commitment to reducing carbon emissions associated with our business. Linked to the development of new wind energy projects in Texas, this REC covered 23% of Peloton’s total electricity usage. As we go forward, we are aiming to source high-quality RECs, specifically more RECs certified by Green-e Energy. As these RECs are independently audited, it ensures that only one customer claims credit for each REC and the MWh of renewable electricity generation it represents.

### Reducing air freight impacts

As air freight has been a significant contributor of Scope 3 emissions in previous years, we have focused on its reduction. This year, we successfully reduced air freight by 95% against a FY21 baseline by prioritizing ocean freight. In FY23, none of our connected fitness production units were shipped using air freight, allowing us to meet our commitment to maintain air freight at less than 2% of production units shipped annually.<sup>28</sup>

### Energy efficiency and landfill diversion

As our business evolves, we intend to regularly monitor energy-use trends across our operations and improve our approach to identifying opportunities for additional energy-efficiency measures. We have the most power to make positive change in our own facilities. Specifically, we have focused efforts on our Linden, NJ, distribution center, where we reduced natural gas usage by changing heating practices. We also implemented energy-efficient standard operating procedures—something we are looking to expand to other distribution centers.

We have continued to donate returned accessories, including weights, workout mats, and yoga blocks, to our social impact community partners and other like-minded organizations, such as Conscious Alliance—simultaneously keeping products in use and increasing access to fitness. In the coming years, we will continue to work closely with distribution center teams to develop additional initiatives that manage our environmental impact. We aim to make progress in managing our environmental impacts, focusing on increasing landfill diversion and introducing further energy-efficiency measures where possible.

<sup>27</sup> RECs certified by Green-e meet the highest standards in North America and must be generated from new facilities that meet rigorous standards for environmental quality.

<sup>28</sup> Production units in scope: Tread, Bike, and Row product lines.



# CIRCULAR BUSINESS MODELS

Advancing circular solutions across our products and business models will be a key lever to reducing our overall environmental impacts and making progress toward our emissions reduction targets. It also aligns with our goal of expanding product accessibility by introducing low-cost, flexible models, and contributes to our objective of supporting significant opportunities for business growth.

Our ongoing efforts to make our business more circular begin by prioritizing the reuse of materials. The introduction and expansion of models such as Peloton Rental and Peloton Certified Refurbished are giving Bikes a second life and offering a way for Members to experience Peloton via the sharing economy. Today, our Members have more ways than ever to experience our products and be part of the journey as we continue to build circularity and sustainability into our business.

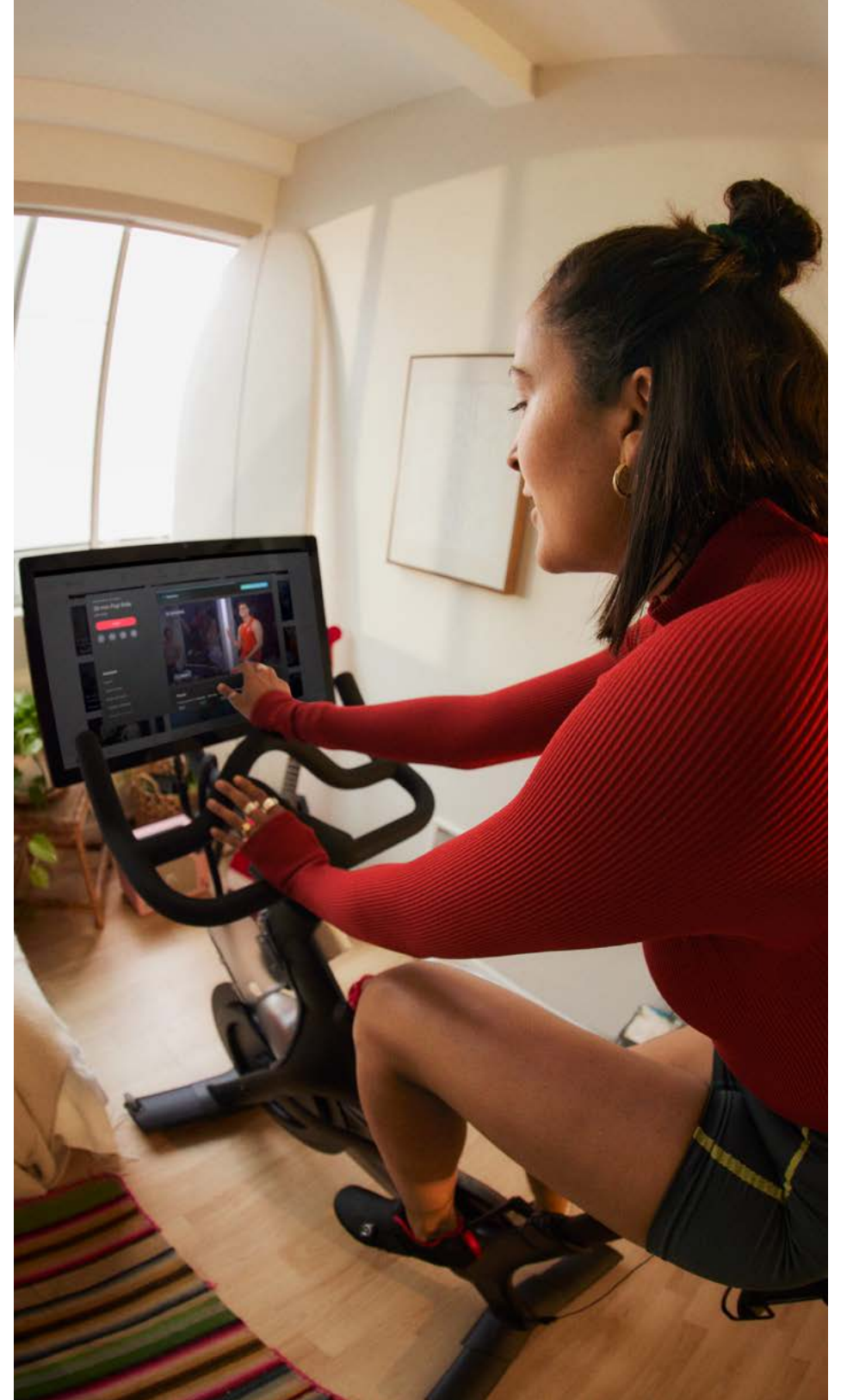
## PELOTON RENTAL AND CERTIFIED REFURBISHED

This year, we officially launched our [Bike and Bike+ Rental program](#), giving Members a chance to use Peloton products at a monthly subscription rate. Additionally, since successfully launching our [Peloton Certified Refurbished program](#) in continental US and Canada, we have expanded the offering to more markets. This option offers people a new way to access Peloton experiences at a lower price point.

Along with creating more financially accessible and flexible options for Members, these programs help us build circularity into our business approach by extending the useful life of our fitness equipment and keeping valuable materials in use.

These new models are already seeing high adoption levels, and we look forward to expanding these business models and bring further value to our Members and stakeholders.

The introduction of our rental service, which at the end of FY23 totaled over 48,000 subscribers, and the launch of Peloton Certified Refurbished, which totaled 13,500 sales in the second half of FY23, are proving to be important growth initiatives. According to our data, the rental business continues to represent a significant incremental growth opportunity, and in August 2023, we expanded bike rentals into Germany, a market we know embraces the rental model more than most.







# AIM HIGH



# PLAY FAIR

## OPERATING WITH INTEGRITY—OUR FOUNDATIONS

At our core, we're driven by our values and principles that demand honesty and integrity across all facets of our business. Our Code of Conduct, coupled with its stringent compliance policies and procedures, forms the foundation upon which our operations, partnerships, and Member interactions are built. As advocates for personal empowerment, we aim to lead by example and hold ourselves to the highest possible standards, committing to an ever-evolving culture of compliance.

Through transparent reporting and a robust compliance learning program, we work continuously to make sure our actions echo our commitment to integrity and excellence.



# GOVERNANCE AND ENGAGEMENT

Our governance structure is designed to ensure transparency, accountability, and ethical behavior and to promote the long-term interests of our shareholders.

Our Board of Directors (the Board) sets the standard and tone for responsible behavior across our company and oversees risk management. We believe that our Board should represent diversity in terms of background and experience and should be mostly independent. Peloton's Board consists of seven members, with nearly half of its seats held by women, PoC, and/or members of the LGBTQ+ community.

The Board has established three committees:

- [Audit committee](#)
- [Compensation committee](#)
- [Nominating, governance, and corporate responsibility committee \(the NGCR committee\)](#)

As part of our philosophy of adhering to strong governance principles, we employ the following Board and leadership practices:

- The Board has appointed an independent Chairperson of the Board with well-defined rights and responsibilities
- All Board committees are composed of independent directors
- Our NGCR committee oversees our programs relating to corporate responsibility and sustainability, including environmental, social, and corporate governance matters and related risks
- Our Vice President of ESG Strategy provides regular updates to the NGCR committee

At our [investor website](#) you can read our Corporate Governance Guidelines, committee charters, and our latest Proxy Statement to find out more about how we approach corporate governance.

## ESG OVERSIGHT

Peloton's Vice President (VP) of ESG Strategy reports to our Chief People Officer, who reports directly to the Chief Executive Officer (CEO). The VP of ESG Strategy is responsible for Peloton's sustainability program, including setting climate and sustainability targets, developing and implementing sustainability initiatives, conducting climate scenario analysis (in partnership with the Risk team), measuring progress, and reporting internally and externally as required.

The ESG steering committee is a management committee and convenes quarterly to provide oversight of ESG issues, including climate. The committee advises on strategy and initiatives, helps facilitate cross-functional collaboration on sustainability and climate initiatives as required, reviews climate risk and opportunity process and assessments, and approves climate targets and disclosures. The VP of ESG Strategy is the ESG steering committee chair.



# LIVING OUR VALUES AND ETHICS

Peloton is committed to maintaining our culture of compliance and ensuring that our team members and communities are aware of and operate in ways that meet our standards and values.

The critical elements of our Global Ethics and Compliance program include processes to address team member questions and concerns, especially when navigating difficult business situations that may raise ethical questions or other risks. Through our Code of Conduct and associated policies and procedures, we foster a culture of transparent reporting and a culture of compliance.

## THE CODE OF CONDUCT

Peloton's [Code of Conduct](#) (the Code) is an expression of our standards for conduct and ethical business practices and reflects how we intend to operate as a company. All Peloton team members and suppliers are expected to carry out our business in ways that embody principles of honesty, ethics, respect for others, and integrity in compliance with the Code. New team members are required to acknowledge the Code at onboarding.

The Code also outlines how we expect team members to speak up when they see a potential violation of law or Peloton policy. We prohibit all forms of retaliation and discrimination for reporting concerns or participating in an internal investigation. Through our Ethics and Compliance program, we investigate potential concerns about violations of law and company policy in a timely fashion and, when appropriate, take corrective action, including discipline. The company has provided multiple means to raise concerns, including with a manager, with the Safety, Ethics, and Compliance team, or with the Team Member Relations team for workplace concerns. We also work with an independent third-party platform to maintain an anonymous ethics reporting hotline and online reporting tool, which we make available globally for Peloton team members, as well as suppliers and business partners.

## ANTI-BRIBERY AND ANTI-CORRUPTION

We prohibit corruption, bribery, or unethical business practices in any form. Any team member, business partner, or other third party with whom Peloton conducts business is prohibited from offering, giving, demanding, or receiving bribes or any other improper benefits pursuant to our Anti-Bribery and Anti-Corruption Policy. Our policy, along with Anti-Bribery Procedures and Anti-Corruption FAQs, is made available to team members on our company intranet. These documents, together with our anti-bribery training for team members, include information on how to spot "red flags" related to bribery and corruption, as well as guidance on how to report concerns. Our Vice President, Safety, Ethics, and Compliance is responsible for tracking and enforcing compliance with the policy.





**DATA AND PRIVACY PROTECTIONS**

As a lifestyle fitness company, we are helping to co-create a digital community of millions. Our Members trust us with their valuable personal data and we are serious about providing a safe and secure experience, and protecting and respecting their information.

We invest in various technical, physical, and administrative safeguards to keep data secure based on our information security policies and procedures, and outline our approach to collection and use of personal data in our [Privacy Policy](#). Our cybersecurity and data privacy risks are subject to regular review, by our management-level risk committee and the Board’s audit committee, both of which provide crucial oversight. In early FY23, we updated our Privacy Policy and added a new section, “Why this Matters,” to communicate that our privacy policy goal as a Member-first company is to empower our Members with the knowledge and understanding of what information Peloton collects, uses, and shares transparently.

**COMMITTED TO INTEGRITY AND HONESTY**

Our Ethics and Compliance program reflects Peloton’s commitment to operating with integrity and honesty in all our business dealings. The program includes:

**Tone at the top**

Peloton’s leaders and managers set the tone on integrity and ethics in how we manage our business.

**Governance and resources**

Ensuring that the Ethics and Compliance program is properly resourced and that governance structures are in place to manage top compliance risk areas.

**Risk assessments**

Conducting regular risk assessments across areas such as product safety, privacy and security, labor and employment compliance, environmental health and safety, ethics, trade compliance, and more.

**Policies and procedures**

Drafting policies, guidelines, and procedures to facilitate compliance across risk areas.

**Compliance controls**

Developing and implementing controls within business systems and processes to mitigate the compliance risks.

**Awareness and training**

Making our team members aware of our policies and controls, and providing relevant, risk-based training so that they can implement our controls consistently.

**Monitoring**

Monitoring controls to ensure that the company’s Compliance programs are effective and looking continuously for opportunities to improve them.

**Investigations and responses**

Maintaining anonymous reporting channels and documented investigation processes and taking corrective action as necessary.



Working in partnership with the Enterprise and Product Engineering teams, our Information Security program consults on the architecture and design of products and features with the goal of ensuring they consistently meet expected security standards throughout the product lifecycle. We perform user access reviews and external penetration tests annually, along with on-demand tests when there have been significant changes or additions to the technology platform.

Our security team reviews internal and third-party audit findings to assess and address risks, in line with our Vulnerability Management Policy. We align with the National Institute of Standards and Technology Cybersecurity Framework. Third-party vendors and services are also evaluated for potential security risks through our Vendor Technology Security Risk program to identify and mitigate potential data security risks prior to contract finalization.

In addition, our Code of Conduct sets forth the expectations we have of team members to protect Peloton's assets in terms of both physical and intellectual property (including proprietary designs, trademarks, and product prototypes) and clarifies the consequences of carelessness in handling these materials.

Peloton provides mandatory security engineering training for all engineers, in addition to our ongoing annual general security awareness training. Together, these programs help ensure that our products are designed and developed with security in mind.

In June, we launched our annual Global Privacy Training across the entire organization. We are committed to educating and training our team members on how to recognize and handle personal information, and why it matters to do so with care.

Our [Privacy Policy](#), [Cookies Policy](#), and [US States Privacy Notice](#) describe how we collect, protect, and process personal data through our services, in our stores, and at our events and experiences. Protecting the privacy of our Members and putting them first is a key part of our ongoing privacy mission as a globally trusted brand. This core idea helps guide every decision we make and requires that we empower our Members with choices and transparency with our [Privacy Settings Overview](#) while using our services.

### **Labor rights**

While we underscore our belief in free and voluntary employment, we do not currently have a specific Freedom of Association Policy. Some of our Instructors are covered by collective bargaining agreements with the Screen Actors Guild—American Federation of Television and Radio Artists (SAG-AFTRA), but we are not signatories to any agreements with SAG-AFTRA. With the exception of SAG-AFTRA, none of our domestic team members are currently represented by a labor organization, and team members in non-US locations are not covered under a collective bargaining agreement.



# MAINTAINING A RESPONSIBLE SUPPLY CHAIN

Our global suppliers and vendors help deliver products and services that meet Peloton's global safety requirements and quality standards. Our preferred suppliers are those whose practices are aligned with our values and who support the protection and promotion of human rights and a commitment to operating in ways that foster environmental responsibility.

## SUPPLIER CODE OF CONDUCT

To ensure our expectations are upheld throughout our value chain, we also maintain a [Supplier Code of Conduct](#) (Supplier Code). We expect all Peloton suppliers to raise questions and concerns early on, allowing us to promptly address any risks in our supply chain. Our Supplier Code includes information on how to report concerns. This is accompanied by a link to an online ethics portal that is maintained by an independent third party and that allows for anonymous reporting, if allowable in the country where the report is lodged. We prohibit retaliation of any kind against suppliers for reporting a concern regarding violation of the Supplier Code.

Launched in December 2022, the Supplier Code establishes the standards to which we expect suppliers to adhere, and reflects our expectations for how suppliers should operate to help us fulfill our mission—ethically and in compliance with applicable laws.

We cascade the Supplier Code with Peloton's indirect and direct suppliers. This includes:

- Sharing the Supplier Code with our 3 major direct, all apparel, and top 20 indirect suppliers by spend
- Updating terms and conditions to incorporate the Supplier Code by reference

This year, we also launched training on the Supplier Code for global Procurement organizations and our Product Quality and Safety teams.

As new direct and indirect suppliers are evaluated and onboarded, we will proactively share the Supplier Code of Conduct.

## TRANSPARENCY AND RESPONSIBLY MANAGING CONFLICT MINERALS

At Peloton, we invest in our supplier surveys, traceability, and related due diligence to secure a responsible supply chain, following recognized international due diligence frameworks, to ensure our products contain responsibly sourced materials from covered countries and regions. We maintain a [Conflict Minerals Policy](#) that sets out our expectations for suppliers to help to ensure our products are free from materials obtained from groups associated with human rights concerns.

In our most recent [Conflict Minerals Report](#), filed with the US Securities and Exchange Commission, we were proud to share that we achieved a 92% conformance rate<sup>29</sup> (a 2% increase from our first year). We hope to see that conformance rate remain high—and even improve—as we continue to enhance our conflict minerals program, monitoring global developments and the emergence of additional requirements or relevant standards.

Peloton works with its supply chain partners as part of our ongoing due diligence in this risk area.

<sup>29</sup> When we discuss "conformance rates" in the context of conflict minerals, we are referring to conformance with the [Responsible Minerals Assurance Process \(RMAP\)](#).



# POLICY AND ADVOCACY

We want to help advance equity and access to wellness—not just in the Peloton community, but in the wider world.

Peloton does not make political contributions; instead, we proactively engage with policymakers and thought leaders around the world to amplify impact and advocate for broader access to physical and mental health for all. In FY23, we continued this work in the following three ways.

## **Supporting veterans' health**

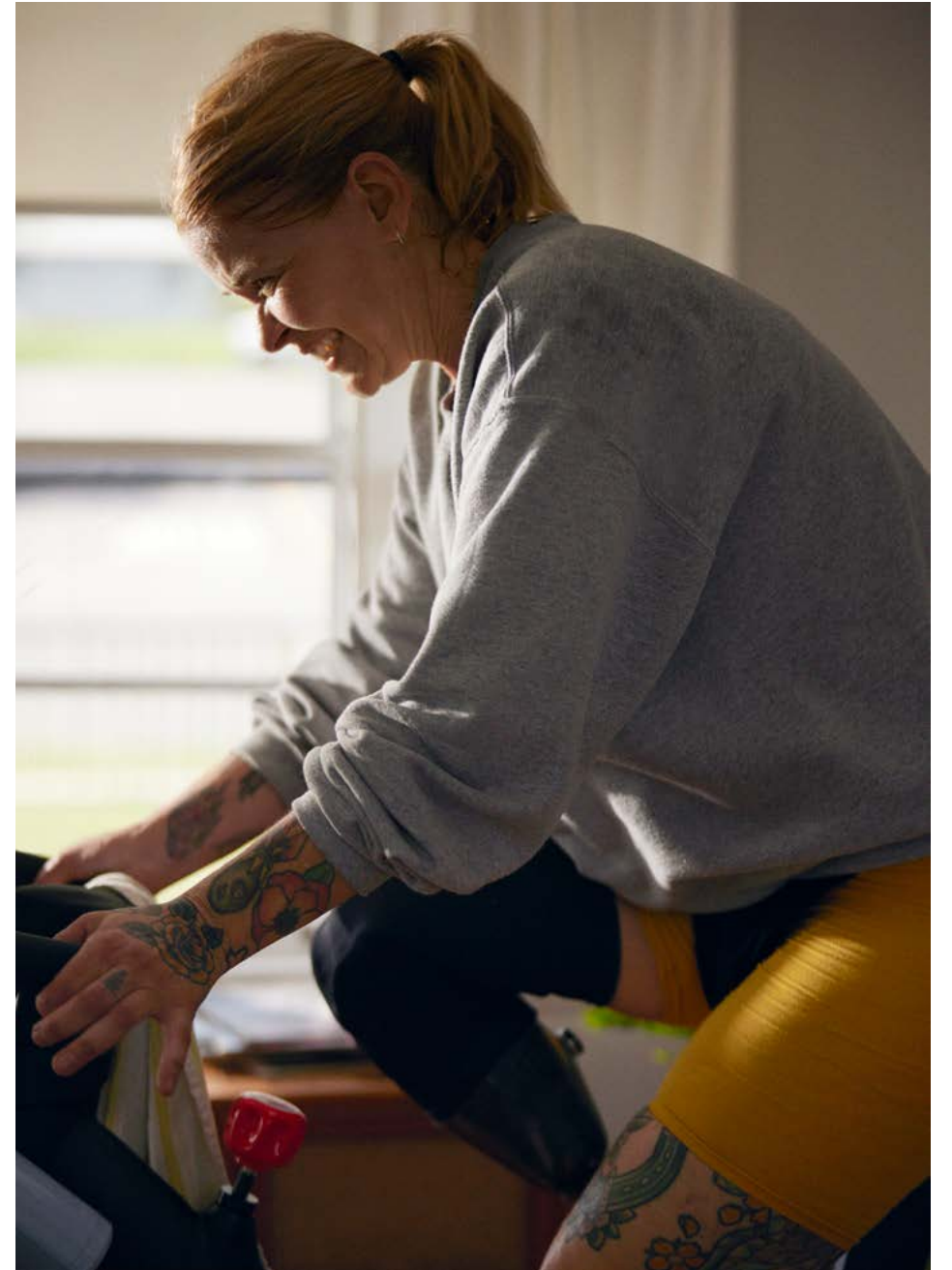
Peloton was proud to support legislation within the 2023 Military Construction, Veterans Affairs, and Related Agencies Appropriations Act that President Biden signed into law in December 2022. This act ensures veterans receive the care they deserve, including mental health care and increased programmatic efforts to access digital, at-home fitness resources.

## **Bringing down the cost of physical activity**

Peloton is actively lobbying Congress to pass the 2023 Personal Health Investment Today (PHIT) Act—a bill that allows a medical care tax deduction of up to \$1,000 (up to \$2,000 for families) for qualified sports and fitness expenses per year. The PHIT Act will play an important role in getting more Americans up and active by lowering the cost of physical activity and mental wellness programs. PHIT continues to gain bipartisan support in both the US House of Representatives and Senate.

## **Advocating for equality**

We renewed efforts to lobby for the Respect for Marriage Act, which was passed and signed into law by President Biden. This legislation nationally codifies federal marriage equality by guaranteeing the federal rights, benefits, and obligations of marriages in the federal code.





# FORWARD-LOOKING STATEMENT

This report includes goals, initiatives, and forward-looking statements (Forward-Looking Statements) that are statements other than statements of historical facts and statements in the future tense. These statements include, but are not limited to, statements regarding execution of, and the expected benefits of, our restructuring initiatives and cost-saving measures, our future operating results and financial position, our business strategy and plans, market growth, our social responsibility and ESG initiatives, strategies and plans, and our objectives and future operations. In some cases, you can identify Forward-Looking Statements by terms such as “aim,” “anticipate,” “believe,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “seek,” “should,” “target,” or “will” or the negative of these terms or other similar expressions, although not all Forward-Looking Statements contain these words. Forward-Looking Statements are based upon various estimates and assumptions, as well as information known to us as of the date hereof, and are subject to risks and uncertainties. Accordingly, actual results could differ materially, and adversely, due to a variety of factors. These risks and uncertainties include, but are not limited to, those described

under the caption “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended June 30, 2023, and our other Securities and Exchange Commission (SEC) filings, which are available on the Investor Relations page of our website and the SEC website.

All Forward-Looking Statements contained herein are based on information available to us as of the date hereof and you should not rely upon Forward-Looking Statements as predictions of future events. The events and circumstances reflected in the Forward-Looking Statements may not be achieved or occur. Although we believe that the expectations reflected in the Forward-Looking Statements are reasonable, we cannot guarantee future results, performance, or achievements. We undertake no obligation and expressly disclaim any duty to update any of these Forward-Looking Statements for any reason after the date of this report or to conform these statements to actual results or revised expectations, except as required by law. Undue reliance should not be placed on Forward-Looking Statements.

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 have not independently verified such information and do not assume responsibility for its accuracy. Additionally, all numbers referenced are subject to the quality and comprehensiveness of the reporting received by Peloton 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. Non-financial information, such as that included in parts of this report, is also subject to greater potential limitations than financial information, given the methods used for calculating and estimating such information. Moreover, historical, current, and forward-looking environmental and social-related statements may be based on standards and metrics for measuring progress, as well as standards for the preparation of any underlying data for those metrics, that are still developing and internal controls and processes that continue to evolve. While these are based on expectations and assumptions believed to be reasonable at the time of preparation, they should not be considered guarantees. The standards and performance metrics used, and the expectations and assumptions they are based on, have not, unless otherwise expressly specified, been verified by any third party.





Furthermore, while certain items discussed in this report may be significant, any significance should not be read as necessarily rising to the level of materiality of certain disclosures included in our SEC filings, even if we use the word “material” or “materiality” in this document in relation to those statements or in other materials that we may release from time to time in connection with the matters discussed herein. Moreover, given the uncertainties, estimates, and assumptions required to make certain non-financial disclosures, and the timelines involved, materiality is inherently difficult to assess, particularly far in advance. In addition, given the inherent uncertainty of the estimates, assumptions, and timelines contained in this report, we may not be able to anticipate in advance whether or the degree to which we will or will not be able to meet our plans, targets, or goals.

In addition, while we seek to align these disclosures with the recommendations of various third-party frameworks, we ultimately use such frameworks only as references for our disclosures and cannot guarantee strict adherence to these frameworks’ recommendations. Additionally, our disclosures based on any frameworks may change due to revisions in framework requirements, availability of information, changes in our business or applicability governmental policy, or other factors, some of which may be beyond our control.

