



2021 ESG REPORT





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LETTER FROM OUR CO- FOUNDER AND CEO



JOHN FOLEY
Co-Founder and CEO, Peloton Interactive, Inc.

I was lucky enough to spend my childhood in the Florida Keys. My dad was in the U.S. Navy and fishing, diving, sailing, and swimming were regular activities for our family. Thanks to him, I grew up with a deep respect and passion for all things nature and wildlife. And I've carried that love with me ever since. Being outside – especially near water – is what HOME feels like to me.

As I returned to the Keys over the years, I've seen a noticeable deterioration of this environment that is so much a part of me. It is heartbreaking. I know it would break my dad's heart, too, if he were here to see it today. As I reflected on the burden that 8 billion people are having on our planet, I realized that I wanted to ensure that we at Peloton are unequivocally doing everything we can to make sure we're part of the solution. And that starts with

understanding our impacts, having a clear plan to address them, and determining the role Peloton can play in making a difference.

I have always believed that Peloton is a force for good in the world. Our mission is to connect the world through fitness and empower people to be the best version of themselves. As our business has grown, my belief in its power to help improve the world has grown, too. We exist to help people live happier, healthier lives... and I firmly believe that a healthy life includes living in a world that is healthy, too!

I am immensely proud of what we have built and are continuing to build at Peloton. And in our nine years of this exhilarating ride, one of the moments I have been proudest of was announcing The Peloton Pledge, our commitment to become an antiracist organization. While on first blush it may sound separate from our work on environmental sustainability, they are two sides of the same coin. They are about how we, as Peloton, choose to show up every day and help create the world and communities we want to be a part of.

As we launch our first report on Peloton's environmental, social, and governance practices and aspirations, we're celebrating our existing commitments and further committing ourselves to the ways in which we will ensure that our company is a force for good now and continues to be in the years ahead. Those efforts include:

- A wide range of initiatives designed to make Peloton the best place to work—one of our five core values
- The Peloton Pledge, which commits \$100 million to fight racial injustice and inequity in our world and to promote health and well-being for all
- Our plans to embed environmental sustainability into our business and our five priority aspirations that underpin our strategy
- Governance policies and structures to encourage and ensure transparency, accountability and ethical business practices

We have bold ambitions. We always have – this is what lights our fire at Peloton! We recognize that achieving them won't be easy, and that we will need to overcome many challenges. We have always thought of challenges as opportunities, and ESG is no different. We are ready for the challenge. In fact, we are energized by it.

This is not a commitment we take lightly; and we are in it for the long-term. Just as our company name reflects, we firmly believe that a team can make greater progress more quickly and efficiently than any one individual can on their own. One of our core values is Together We Go Far... and everything Peloton does is guided by that. Together is the only way we go far.

Let's do this. Together.

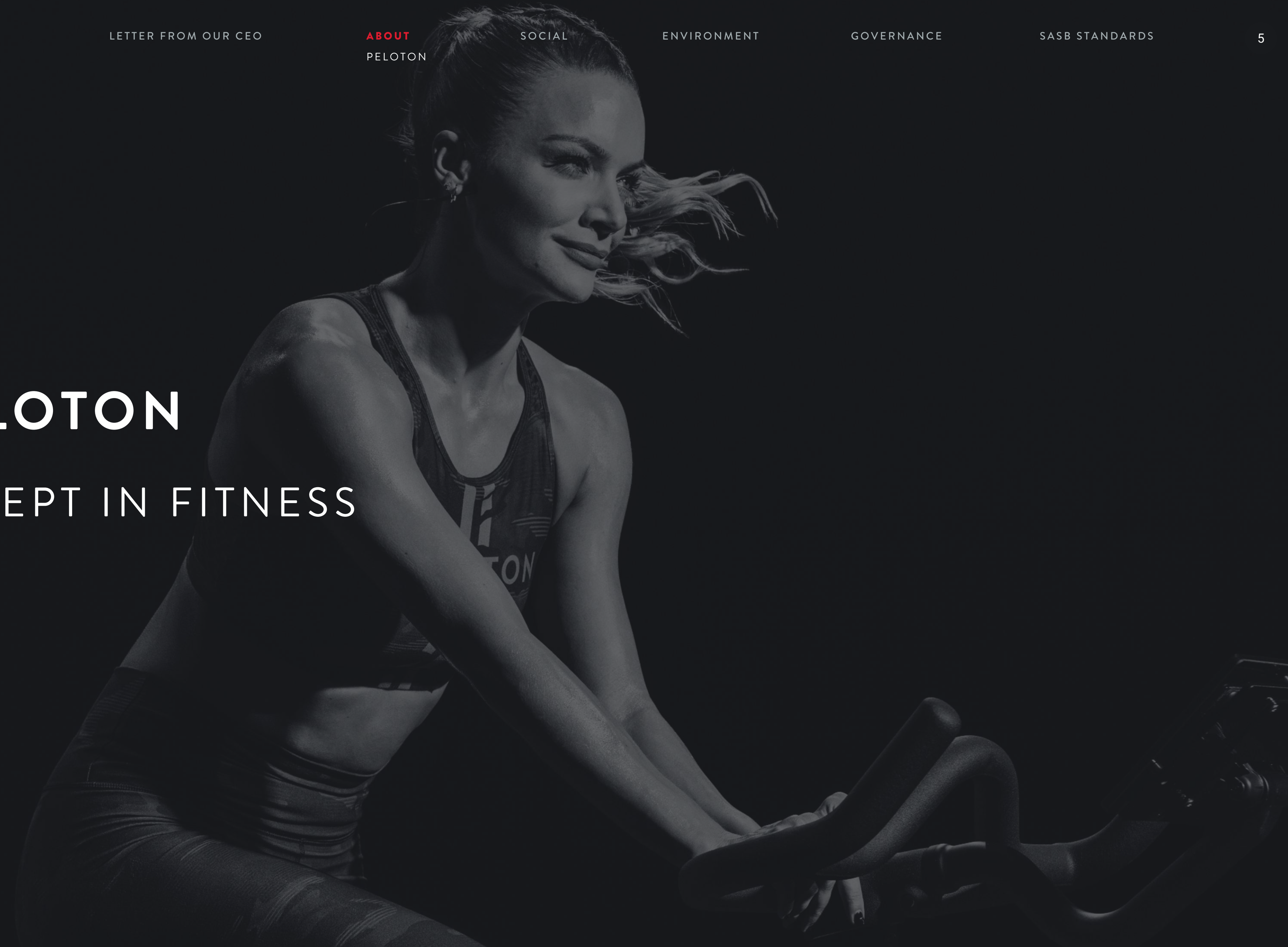


ABOUT PELOTON AND THIS REPORT



ABOUT PELOTON

A NEW CONCEPT IN FITNESS





OUR MISSION: TO USE TECHNOLOGY
AND DESIGN TO CONNECT THE WORLD THROUGH
FITNESS, EMPOWERING PEOPLE TO BE THE BEST
VERSION OF THEMSELVES ANYWHERE, ANYTIME.

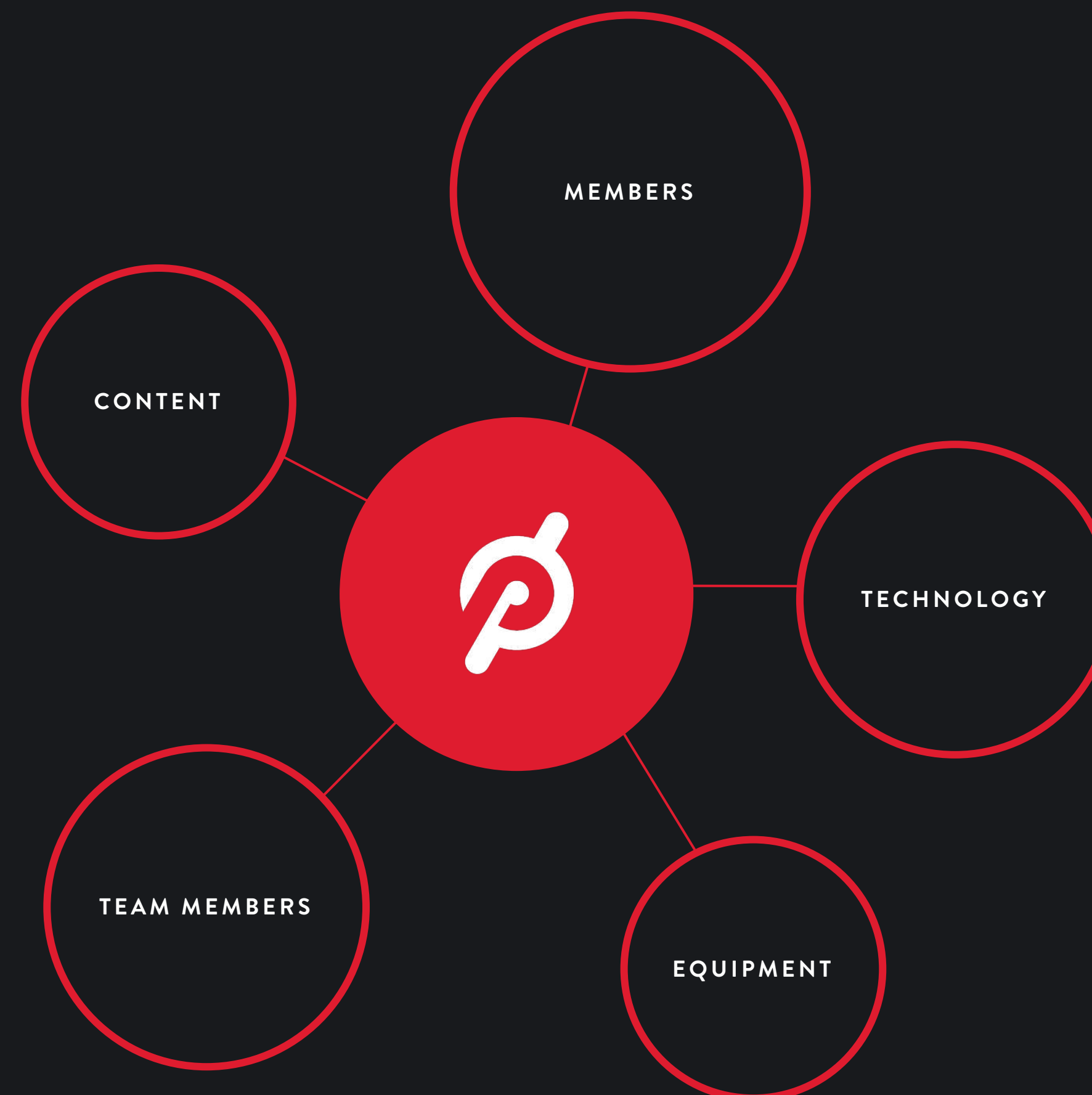


THE PELOTON IDEA

Peloton was founded in 2012 when friends John Foley, Tom Cortese, Yony Feng, Hisao Kushi, and Graham Stanton had an idea:

BRING CHALLENGING WORKOUTS TO PEOPLE IN WAYS THAT WERE IMMERSIVE, ACCESSIBLE, AFFORDABLE, AND EFFICIENT. TO MAKE THE PELOTON IDEA A REALITY THEY NEEDED TO CREATE NOT JUST A PRODUCT, BUT AN ECOSYSTEM:

- ▶ a community in which **Members**
- ▶ connected by **technology**
- ▶ work out on beautifully designed, cutting-edge **equipment**
- ▶ with support from the best instructors and other **team members**
- ▶ and premium **content**
- ▶ all converging to create an experience that feels empowering, inspiring, and connected.



THEY CREATED PELOTON,

cultivating the talent and resources necessary to achieve excellence in each sphere and developing an effortlessly cohesive ecosystem to connect them all.



VALUES

PELOTON HAS COME A LONG WAY SINCE 2012. WE NOW HAVE MILLIONS OF MEMBERS AROUND THE WORLD AND MORE THAN 8,600 TEAM MEMBERS, ALL COMMITTED TO OUR FOUNDING MISSION.

OUR VALUES

WE FOCUS OUR EFFORTS AND GUIDE EACH DECISION BY REFERRING TO OUR FIVE CORE VALUES:

PUT MEMBERS FIRST

We obsess over every touchpoint of our Member experience – always remembering that when our Members win, we win. We root everything we do and all product and feature development in Member needs and never assume we know what is best. We believe in building connections based on trust, respect, and inclusion, and are proud that our Member community embodies these qualities.

TOGETHER WE GO FAR

We know the importance and value of a team. We work shoulder to shoulder, have each other's backs, and encourage everyone to have a voice and draw out the best in others. We champion a culture of inclusivity that facilitates openness to perspectives different from our own, and we uphold the obligation to dissent rather than focusing on social cohesion.

OPERATE WITH A BIAS FOR ACTION

We challenge the status quo by continuously innovating, learning, and improving. We embrace failure and change as an opportunity to be agile, take smart risks, and learn - and we also take the time to pause in order to act and move forward with sharper focus and intent. We never let the fear of imperfection stop us from achieving great things.

BE THE BEST PLACE TO WORK

We are committed to cultivating and maintaining our unique, world-class culture across all our markets – putting the team member experience, wellbeing, and safety at the heart of all that we do. We strive to show up with empathy, honesty, and authenticity and are committed to maintaining and building on this aspect of our culture as we grow and scale.

EMPOWER TEAMS OF SMART CREATIVES

We hire team members who are great at what they do, then give them the trust, autonomy, and resources to do their jobs and make decisions. We empower one another to embrace a creative mindset and be creative in execution, problem-solving, thinking beyond parameters, and delivery. We take the time to show appreciation and celebrate the achievements of our team members.

These values are central to the culture we have built, and they serve as touchstones in every decision we make as we grow.



OUR BUSINESS MODEL

Peloton is unique. Our platform provides the best fitness equipment and instructors, proprietary networked software, and premier streaming content. We make it easy for Members to find the classes and content that will help them thrive, and our vertically integrated platform ensures a best-in-class, end-to-end experience.

Each touchpoint between Peloton and our Members contributes to a virtuous cycle of involvement. Members become participants in a supportive, healthy community, developing treasured relationships with favorite instructors and friends. These connections encourage them to engage deeply and continue doing so over time.

OUR CULTURE

We have intentionally cultivated a powerful and distinctive culture of inclusivity, collaboration, and empowerment. Our dynamic culture is the lifeblood of innovation at Peloton. We support our team members as they continuously learn, innovate, and improve to challenge the status quo – putting them in a position to do their best work and unlock their potential.

Peloton’s culture infuses our approach to ESG. We embrace challenges, and we know that making sustainable progress in any area, from personal fitness to corporate governance, takes:

- ▶ **Ambitious, impact-oriented goals**
- ▶ **Perpetual innovation and improvement**
- ▶ **Diverse talent working together with respect and kindness**





THE PELOTON COMMUNITY

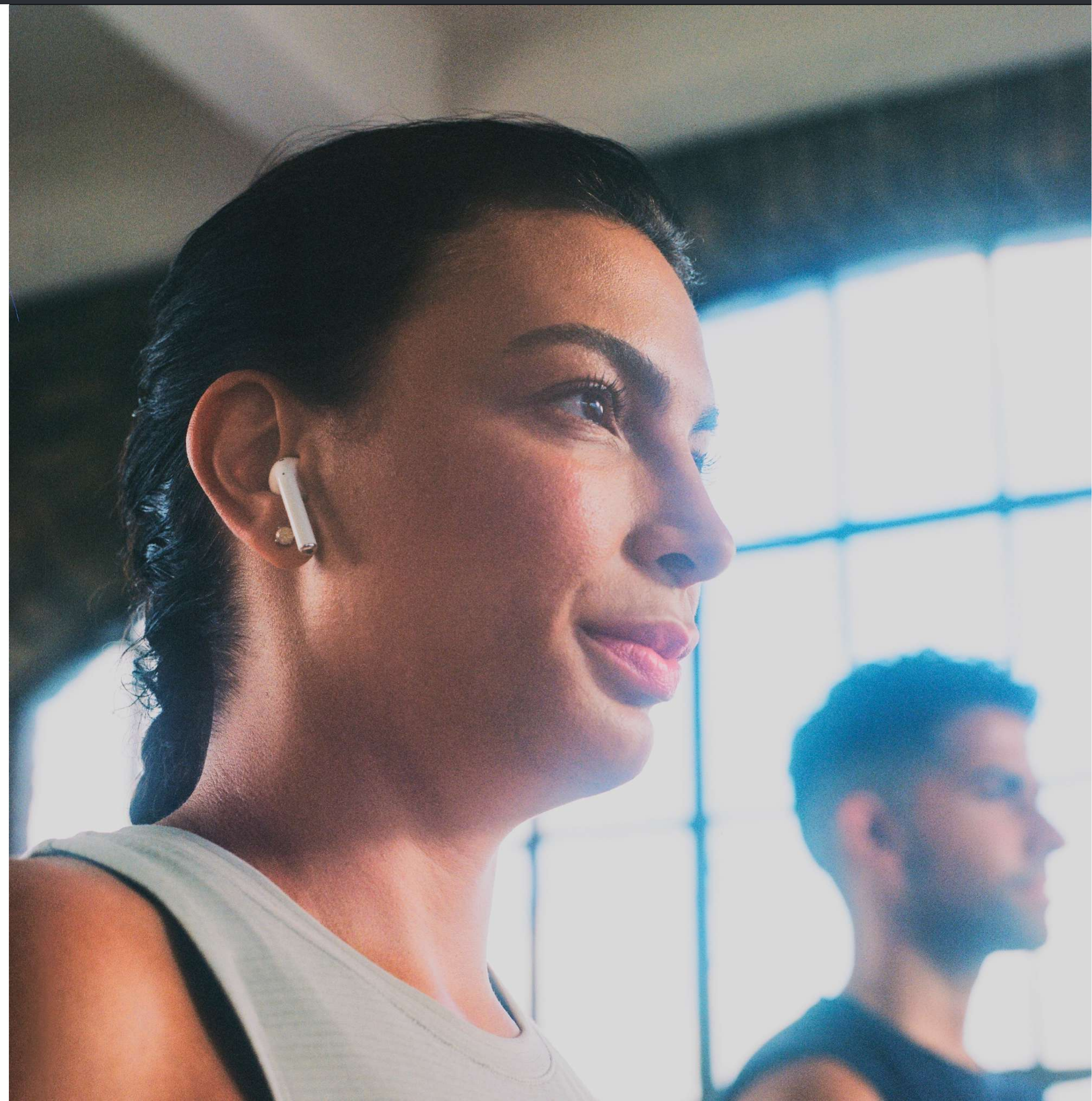


OUR MEMBERS ARE BOTH THE PEOPLE WE EXIST TO SERVE AND THE COMMUNITY THAT SETS PELOTON APART.

Today Peloton connects and empowers **more than 5.9 million Members** around the world, from all walks of life. We maintain an open dialogue with our community of Members. Their enthusiasm powers our company and helps us develop products and features, create events, support other Members when they need it, and more.

Our community has grown by leaps and bounds — but we're just getting started. Our goal is to democratize access to high-quality fitness by making it convenient and accessible to anyone — anytime, anywhere in the world.

Together we go far.





ABOUT THIS REPORT

SHARING OUR PROGRESS AND PLANS





SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report includes goals, initiatives, and forward-looking statements ("Forward-Looking Statements") which are statements other than statements of historical facts and statements in the future tense. These statements include, but are not limited to, statements regarding our business, our business strategies and plans, our 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," "may," "will," "should," "expect," "believe," "plan," "anticipate," "could," "intend," "target," "project," "contemplate," "believe," "estimate," "predict," "potential," "seeks,"** or **"continue"** 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 due to a variety of factors. These risks and uncertainties include, but 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, 2021, 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 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 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.



2012
2013
2014
2015
2016
2017
2018
2019
2020

FROM DAY ONE,
PELOTON HAS BEEN
COMMITTED TO
MAKING A POSITIVE
IMPACT ON
PEOPLE'S LIVES.

OUR FIRST ESG REPORT

We are pleased to share with you, the Peloton community, our first ESG report, covering our 2021 fiscal year. As this is our inaugural report, we also include key highlights and progress from prior years. Working toward positive institutional, community, and global change is a natural extension of who we are, and we're excited to present our efforts and plans to the world.

OUR STAKE IN THE GROUND

This report marks our commitment to becoming a global ESG leader as we grow: empowering team members to be their best selves, strengthening our communities, contributing to a sustainable future, and employing best-in-class governance structures and practices.

We intend to publish our ESG Report annually, expanding it as we make progress on our efforts and build on our practices.

This report also is aligned to the recommendations outlined by the Sustainability Accounting Standards Board (SASB).

Certain environmental metrics have been verified by Apex Companies, LLC, to a limited level of assurance.



REPORT SECTIONS

THESE PAGES DETAIL THE ESG PRACTICES AND POLICIES WE HAVE IN PLACE TODAY, AS WELL AS OUR INTENTIONS AND ASPIRATIONS FOR THE YEARS TO COME. THE REPORT INCLUDES THREE MAIN SECTIONS:

1

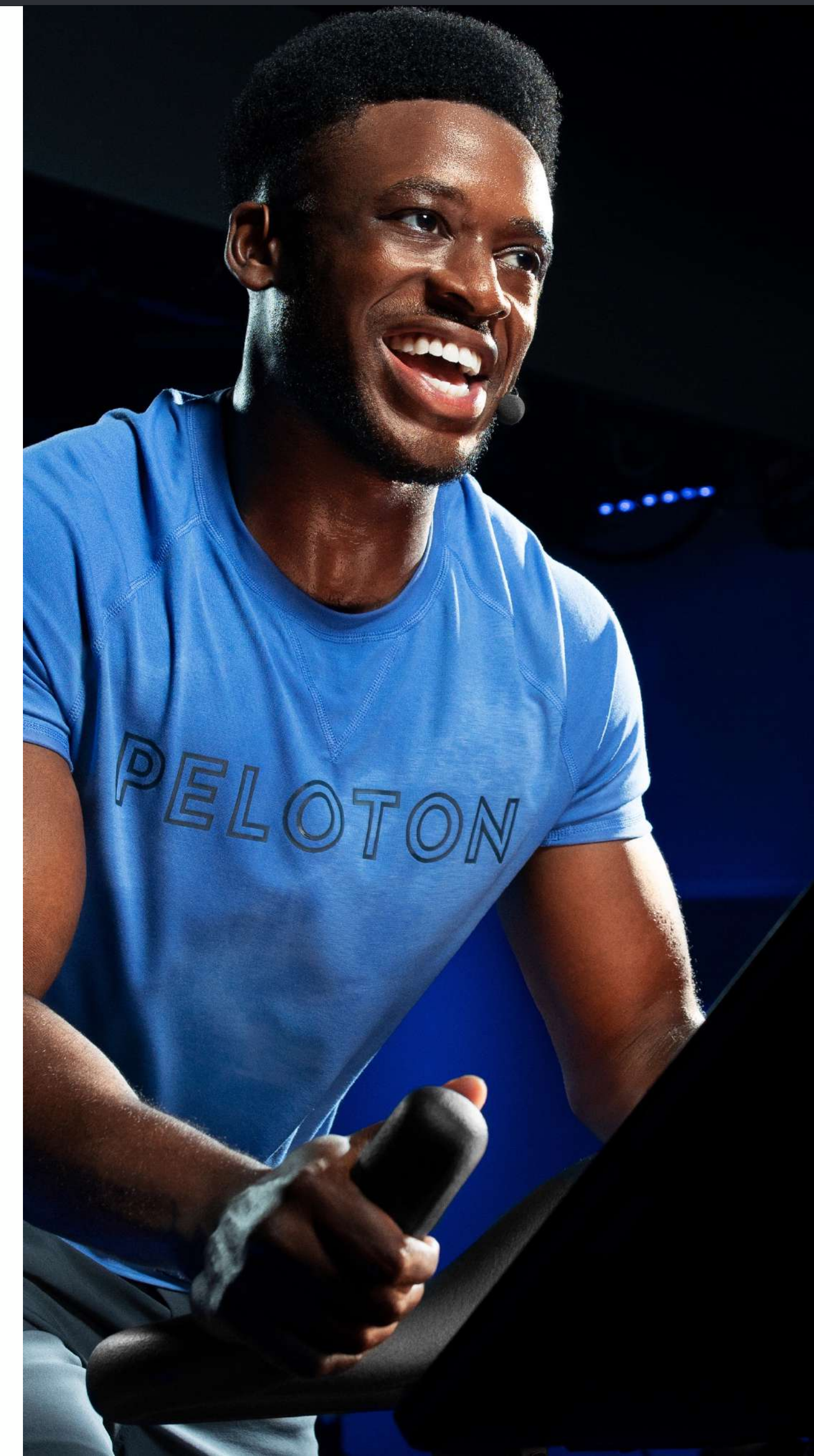
SOCIAL, including Peloton's support for team members and journey toward anti-racism.

2

ENVIRONMENT, including Peloton's efforts to understand our environmental footprint and our plans to mitigate it.

3

GOVERNANCE, including the structures and practices that institutionalize the integrity and accountability at the heart of Peloton's culture.





MATERIALITY MATRIX



MATERIALITY ASSESSMENT AND METHODOLOGY

Before developing our first ESG report, we engaged in a fact-finding mission to understand the most relevant ESG issues affecting our business and our community of stakeholders. Our first materiality assessment included 15 key topics and identified three tiers of priority issues.

As groundwork for the assessment, we conducted a broad landscape review that included an evaluation of the Sustainability Accounting Standards Board (SASB) framework to determine the standards most relevant for our business. Because Peloton operates at the nexus of several industries, we selected metrics from the Toys and Sporting Goods, Leisure Facilities, and Internet Media and Services sectors, as well as metrics applied by corporate sustainability leaders in those areas.

Next, we engaged a set of internal and external stakeholders through a comprehensive survey and a set of in-depth interviews, seeking to understand both the global business impacts and the external implications of the ESG issues we identified. We solicited and received input from a wide range of viewpoints, including:

- ▶ Senior leadership
- ▶ Team members
- ▶ Members
- ▶ Investors
- ▶ Social impact partners
- ▶ Nongovernmental organizations and thought leaders

These individuals and organizations helped us understand the issues we need to prioritize, provided information about new and emerging topics, and delivered insights and recommendations that inform our approach to ESG.

To synthesize the quantitative and qualitative results of our assessment, we created our materiality matrix (left). While all issues represented in the matrix are important to us and to our stakeholders, the matrix organizes them into three tiers of significance, and we intend to pursue them in that order. We will refresh the materiality assessment periodically to incorporate growth factors, emerging opportunities and risks, evolutions of current opportunities and risks, culture shifts, and new global trends over the years to come.

Tier I engagement topics:

- ▶ Diversity, Equity, and Inclusion
- ▶ Product Quality and Safety (Member Safety and Workforce Safety)
- ▶ Data Privacy and Security



“

As the leader in connected fitness and a company with a highly engaged global workforce and membership base, Peloton has a unique opportunity to make a difference in the world. Protecting our planet, striving to become an anti-racist organization, committing real dollars and time to the effort to improve racial equality in America, and assisting our Board in best-of-breed governance policies – all of these are vital efforts. I’m proud that Peloton is taking a long-term view, especially as such a young company. Being responsible - socially, environmentally, and in corporate governance – is core to the company’s DNA. This report demonstrates just how engaged and committed Team Peloton is to ESG.

Pamela Thomas-Graham

**Board Member, Chair of the Nominating, Governance,
and Corporate Responsibility Committee**



OUR TEAM

OUR CULTURE

THE PLEDGE

PROGRESS

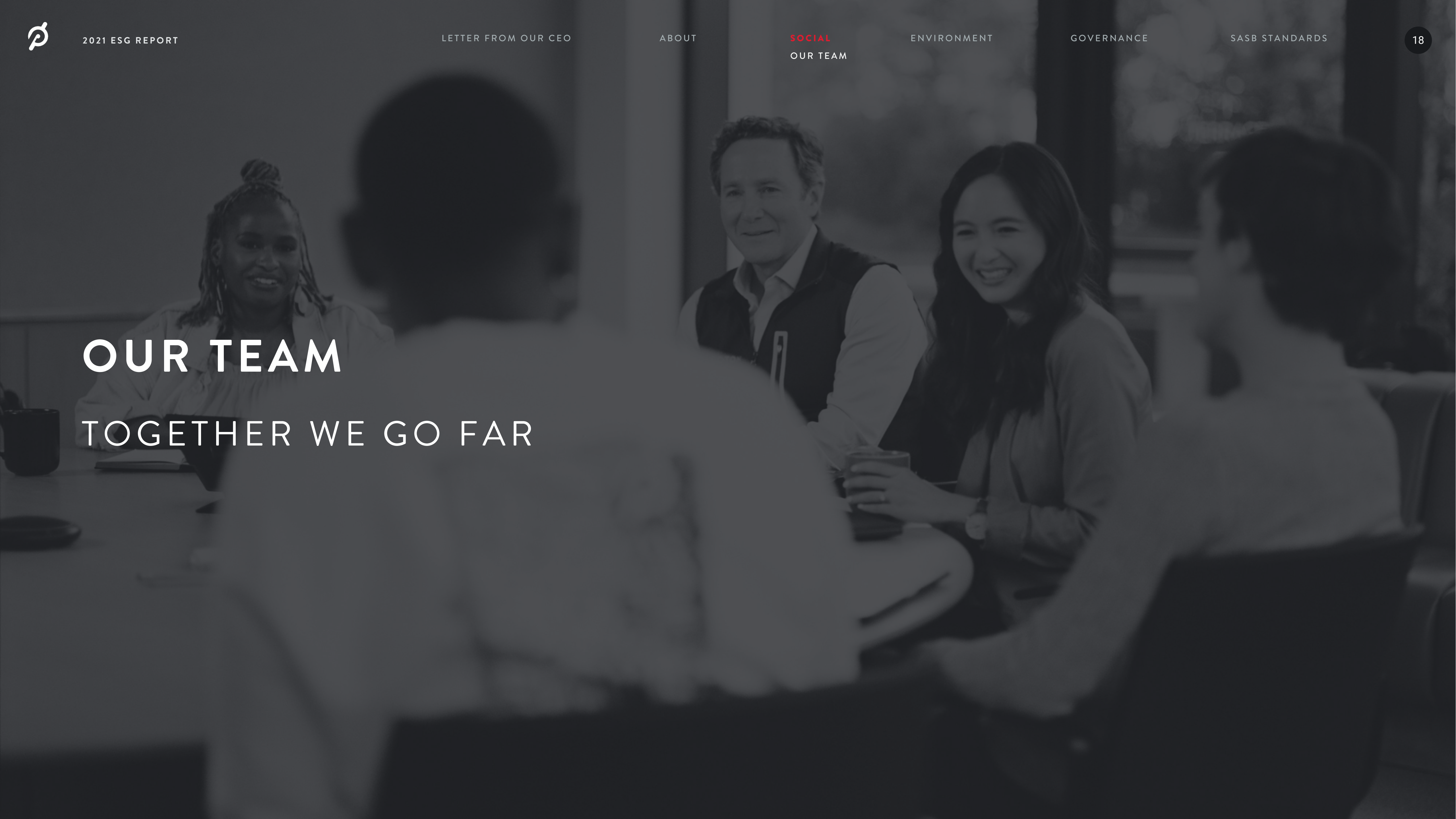
COMMUNITY

SOCIAL



OUR TEAM

TOGETHER WE GO FAR





OUR COMPANY IS NAMED **PELOTON** FOR A REASON.

WE'RE A TEAM OF INDIVIDUALS WHO EMPOWER EACH OTHER TO MOVE FORWARD TOGETHER. FOR US, "PELOTON" HAS COME TO MEAN MORE. IT MEANS COMMUNITY – AND THAT COMMUNITY STARTS WITH OUR TEAM MEMBERS.

Our team members are our greatest resource. We seek to put all team members in a position to become their best selves because we know that helping everyone in the Peloton community realize their potential will be the key to us making progress on our mission and our business goals.

We believe diversity can be our superpower, so we intentionally seek to build a unified team of diverse thinkers and encourage healthy debate. Just as the members of a peloton take turns in the lead, we rely on each other to step up when needed.

We know that our company is not exempt from the inequities that hold our society back. So we are working vigorously to counter them throughout our organization (see "progress from within: Diversity, Equity, and Inclusion," beginning on [page 31](#)). And we are partnering with leading anti-racism change-makers to support their efforts and drive change together in our communities while democratizing access to our core fitness offerings and the empowerment they provide.



WHO WE ARE

PELOTON CONSISTS OF 8,662 TEAM MEMBERS, IN THE FOLLOWING ROLES AND LOCATIONS. AS OF JUNE 30, 2021, PELOTON EMPLOYS:

6,743

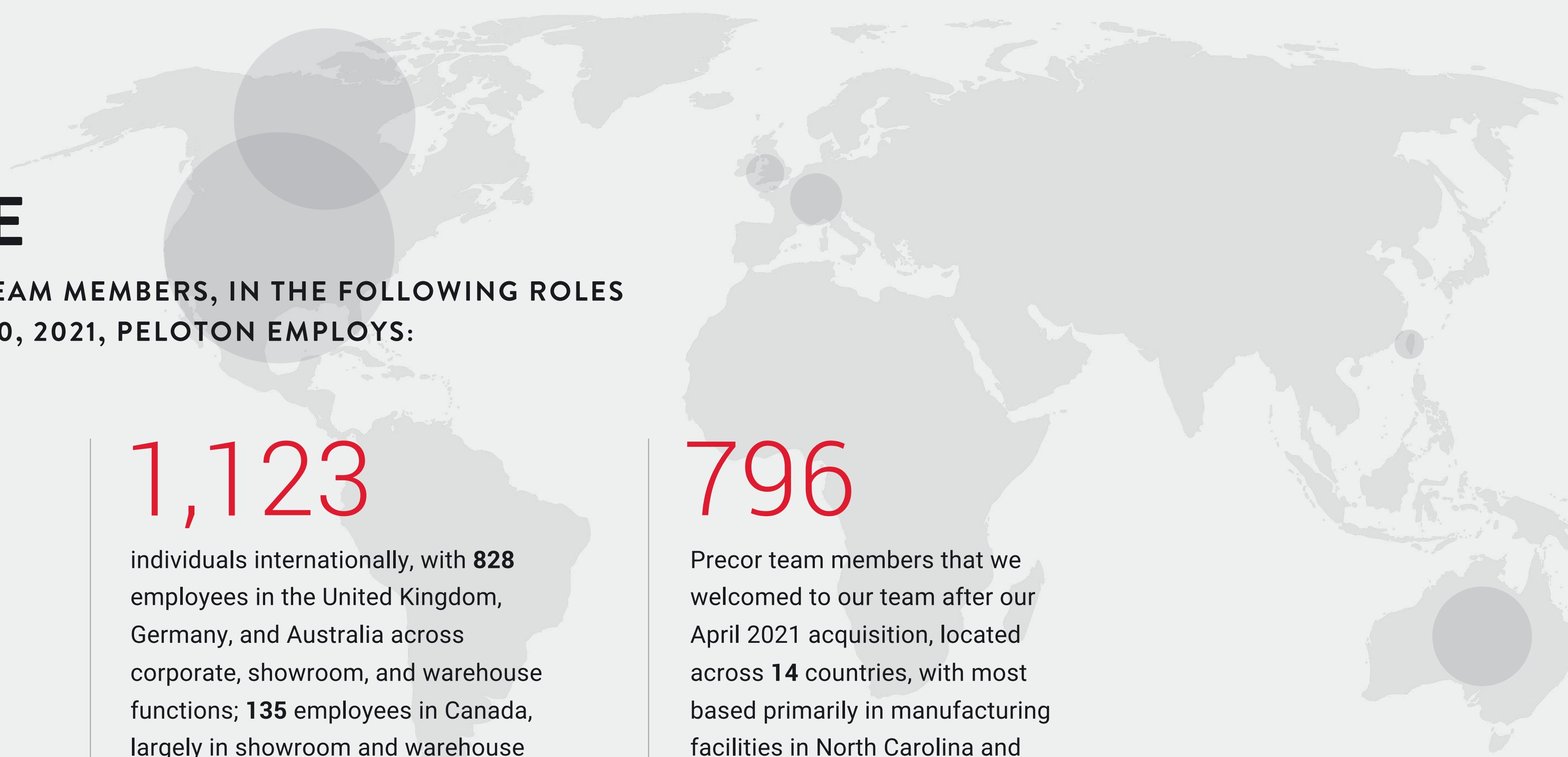
individuals in the United States across our New York City headquarters, Plano campus, Atlanta and other offices, remote locations, showrooms, and field operations warehouses.

1,123

individuals internationally, with **828** employees in the United Kingdom, Germany, and Australia across corporate, showroom, and warehouse functions; **135** employees in Canada, largely in showroom and warehouse roles; and **160** individuals in Taiwan across manufacturing, quality engineering, and operations functions.

796

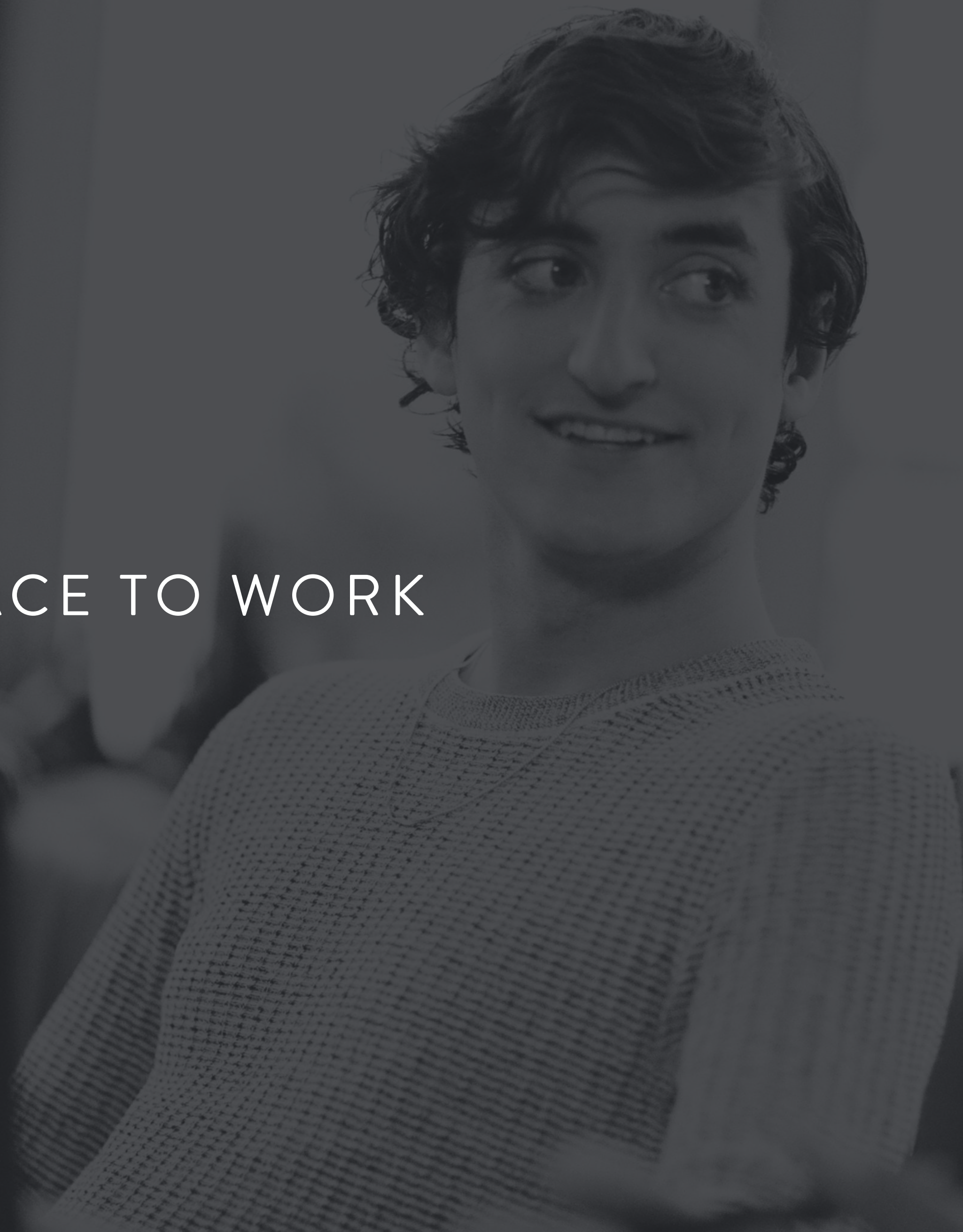
Precor team members that we welcomed to our team after our April 2021 acquisition, located across **14** countries, with most based primarily in manufacturing facilities in North Carolina and Washington state.





OUR CULTURE

BUILDING THE BEST PLACE TO WORK



Together We Go Far in the workplace means we will be successful only if our team members are able to flourish professionally and personally. We're fostering an environment that attracts extraordinary talent, helps every individual become their best self, and unlocks each person's greatest potential. We have made **Be the Best Place to Work** one of our five touchstone values. And we strive to always treat all others with empathy, honesty, authenticity, and compassion.

Our five core values shape every decision we make. They are:

PUT MEMBERS FIRST

OPERATE WITH A BIAS FOR ACTION

EMPOWER TEAMS OF SMART CREATIVES

TOGETHER WE GO FAR

BE THE BEST PLACE TO WORK

From Comparably's 2021 Best Places to Work survey:



#1 Best Place to Work



Culture Score



Awards in 13 categories, including:



Best Career Growth



Best Company Outlook



Best CEOs for Women



Best Company Happiness



Best Company Compensation



Best Company Perks & Benefits



Best Company Outlook - #5 out of 50

Individual team awards:

- ▶ Best Marketing Team (#1!!)
- ▶ Best HR Team
- ▶ Best Engineering Team
- ▶ Best Operations Team
- ▶ Best Product & Design Team
- ▶ Best Leadership Teams

Built in NYC Best of 2021 awards

Individual team awards:

- ▶ 100 Best Places to Work in NYC
- ▶ 100 Best Large Companies to Work for in 2021
- ▶ 50 Companies with Best Results

Human Rights Campaign

- ▶ Score of 100 on the HRC Corporate Equality Index (2020 and 2021)
- ▶ A Best Place to Work for LGBTQ Equality

2021 Effie Award Health and Fitness

- ▶ Peloton 2020 "We All Have Our Reasons" Campaign

HRD Magazine

- ▶ Best CEO for Gender Equality 2021, John Foley, Co-Founder and CEO

**Business Insider
"Most Influential 2021" list**

Dara Treseder, CMO

- ▶ 25 Best Companies for Career Growth 2021



We are taking concrete action to live our newly codified fifth and fundamental value, **Be the Best Place to Work**, in the following ways:

ACT WITH GENUINE CARE AND KINDNESS

As we grow, we strive at all times to treat others with:

- ▶ Empathy
- ▶ Honesty
- ▶ Authenticity
- ▶ Compassion
- ▶ Inclusion

We are working to build on these aspects of our culture as we grow and scale.

EMPOWER ALL TEAM MEMBERS

Our people team works to ensure that team members have what they need to thrive.

- ▶ **Connected Leadership** provides training on Peloton's approach to leadership, coaching, and teamwork
- ▶ **TEMPO** (To Empower My Professional Opportunities), our internal hiring and mobility program, provides tools and resources to support internal job search and advancement
- ▶ **Specialized training programs** support Field Operations, Inside Sales, Retail, and Member Support teams
- ▶ **Peloton Academy** houses training resources for all roles across the company
- ▶ **Weekly skills workshops** offer additional learning opportunities for all employees
- ▶ **University@Peloton**, to be rolled out in 2022 and 2023, will deliver training and higher education opportunities for hourly team members from underserved communities ([page 37](#))

COMMIT TO TEAM MEMBER WELLBEING

We seek to cultivate a community in which each individual can thrive. The following policies help us promote work-life harmony:

- ▶ **Mental health days**
- ▶ **Mental health resource benefits**
- ▶ **Flexible paid time off (PTO), civic time off (CTO), and volunteer time off (VTO)**



PRIORITIZE HEALTH AND SAFETY

Our team members' safety is our top priority.

We have responded to the COVID-19 pandemic by implementing the following initiatives, overseen by our Global Safety and Security Operations Team and Risk Operations Center:

- ▶ **Daily health screening and voluntary vaccination uploads through Sequoia, Peloton's third-party COVID-19 workplace partner**
- ▶ **Daily, enterprisewide COVID cleaning protocols**
- ▶ **Social distancing and PPE protocols, including the use of facial coverings and gloves**
- ▶ **Contact tracing of known COVID-19 cases when possible**

PROVIDE BEST-IN-CLASS COMPENSATION AND BENEFITS

Our actions, policies, and processes related to compensation and benefits demonstrate the genuineness of our commitment to team members and reinforce our culture and our mission.

PAY

We offer highly competitive pay structured to reward individuals for their contributions while aligning their efforts with Peloton's goals and strategy. We are taking steps to ensure that all of our team members are paid competitively and will conduct independent third-party analyses for pay equity on an annual basis.

EQUITY

All regular full-time team members are granted equity-based compensation, and our Equity Choice program offers the option to take options, restricted stock units, or a combination.

BENEFITS

We take a comprehensive view of tools and programs to attract, reward, and retain talent. Peloton offers a broad array of benefits to our team members, including:

- ▶ **Comprehensive health care and mental health benefits**
- ▶ **Childcare solutions**
- ▶ **18 weeks of parental leave**
- ▶ **Referral bonus program**
- ▶ **Prepaid legal assistance**
- ▶ **Free membership and meaningfully discounted connected fitness products**
- ▶ **An optional employee stock purchase plan**



INVEST TIME AND ENERGY INTO SELF-DEVELOPMENT, VOLUNTEERISM, AND CIVIC ENGAGEMENT

We provide:

- ▶ Generous tuition reimbursement
- ▶ Paid volunteer time off
- ▶ Paid civic time off for select civic activities
- ▶ A match of up to \$1,000 per year for employee charitable contributions
- ▶ Together We Give platform

ENGAGE AND LISTEN

We establish and nurture connections among our team members by working to recognize each individual and listen actively to them. Peloton maintains open dialogue with our team members through a variety of channels:

COMMUNICATIONS

Communications platforms including our company intranet, internal communications platforms, annual engagement surveys, and a monthly all-hands meeting where all team members have an opportunity to ask questions of, and hear directly from, the leadership team and to learn about initiatives throughout the company.

RECOGNITION

Recognition programs including our Patent Incentive Program, which rewards team members whose inventions are included in a patent application submitted by Peloton.

SUPPORT

Support programs such as the Peloton High Five Fund, a grant that provides financial relief to help team members facing financial hardship immediately after a natural disaster or unforeseen personal challenge.



THE FUTURE OF WORK AT PELOTON

Peloton has a unique business model, with a distinctive mix of team members, roles, and work environments. Our Workplace Operations and People teams are leading the charge to build workplaces and practices optimized for all team members and roles in the years to come, ensuring Peloton continues to be the best place to work. We are working with a major consulting firm to design and develop workspaces that are physically safe, inclusive, and inspiring for all, including remote and hybrid workers and team members with disabilities.

OUR FUTURE OF WORK PLANS INCLUDE:

BEST PRACTICES FOR HYBRID AND REMOTE WORK

- ▶ Identifying working norms for hybrid settings
- ▶ Developing an enterprise-level Hybrid Habits Toolkit
- ▶ Building and launching a Manager Enablement Toolkit for hybrid and remote workers
- ▶ Streamlining recruiting and onboarding processes for remote, hybrid, and in-office roles
- ▶ Tracking equity of experience across all work models

WORKSPACES AND PRACTICES THAT EMPOWER EVERYONE

- ▶ Incorporating DEI strategies and goals into all working programs, norms, and talent processes
- ▶ Designing accessible workspaces and virtual experiences for all team members
- ▶ Creating workspaces that enable greater productivity

ENSURING SAFETY

- ▶ Enhancing office safety protocols
- ▶ CDC-approved COVID safety measures



THE PELOTON PLEDGE

OUR COMMITMENT TO ANTI-RACISM



We have **made an institutional commitment to work toward anti-racism**, taking a systems-wide approach necessary to dismantle systems of oppression.

We encourage our team members to foster respect and empathy in all interactions every day. Yet we recognize that advancing the culture we want takes more than individual effort. Racial inequity and injustice stand in the way of progress, and they are systemic, universal, and ingrained.

As we seek to remove racial barriers throughout Peloton and in our communities, we're drawing on our strengths: our community, our platform, our content, and our talent. We intend to disclose diversity metrics for our team members and Member community starting next year.

**OUR COMMUNITY,
OUR PLATFORM,
OUR CONTENT,
AND OUR TALENT.**





“

In this pivotal time in history, I believe we have an enormous responsibility to do our part to combat systemic racism, and I am committed to ensuring that we use our resources, platform, and influence to change our society for the better — into a place where everyone can and will thrive.

John Foley
Co-Founder and CEO,
announcing the Peloton Pledge in June 2020

OUR COMMITMENT TAKES SHAPE IN THE **PELOTON PLEDGE.**

THE PLEDGE IS A CONCRETE ACTION PLAN TO COMBAT RACIAL INEQUITIES, BACKED BY A COMMITMENT TO INVEST \$100 MILLION IN ANTI-RACIST WORK:

ADDRESSING OUR INTERNAL CULTURE AND PRINCIPLES

AMPLIFYING CHANGE IN OUR COMPANY AND OUR COMMUNITIES



We know that change must start from within. (See “[Progress from Within: Diversity, Equity, and Inclusion](#)” on the following pages.) That’s why 80% of the Peloton Pledge investment advances racial equity inside our company. These efforts include:

\$60
MILLION

to raise wages for hourly employees, including a starting wage of \$19 per hour for noncommissioned hourly team members

\$20
MILLION

for learning and development programs to expand upward mobility opportunities, to help level the playing field for hourly employees

\$20
MILLION

in partnerships with nonprofit organizations

We realize that we can’t overcome centuries of racism on our own, and that we have a lot to learn. But we understand the power of teamwork. That’s why the **Peloton Pledge** also commits us to investing **\$20 million** toward collaborations with nonprofit partners in communities where Peloton operates, as we seek to address the impacts of systemic inequity and to remove barriers related to race and discrimination. Our social impact partnerships focus on helping make mental and physical fitness accessible to all ([see page 41](#)). Because we know that none of us can win if some of us are being held back.



PROGRESS FROM WITHIN

DIVERSITY, EQUITY, AND INCLUSION



“

We know that the human experience is not monolithic. We want our teammates to understand what it means to be an anti-racist, and that it must be active, not passive.

Dr. Christal Morris
SVP, Global Head of Diversity,
Equity and Inclusion

BEING THE BEST PLACE TO WORK FOR ALL TEAM MEMBERS

For us to advance toward our goals — as individuals, as a community, and as a business — we need to make Peloton a place where people of all backgrounds and communities are welcomed, empowered to bring their best selves, and ensured competitive compensation for their work. That means integrating diversity, equity, and inclusion (DEI) throughout our company. Our DEI program is guided by a multiyear, multifaceted global strategy centered around attracting, retaining, and valuing diverse talent. As part of the commitment spelled out in the Peloton Pledge, in January 2021 we brought on Dr. Christal Morris as Senior Vice President and our first Global Head of DEI.

Our Pledge requires us to grapple with hard issues. It demands honest introspection, both individually and as an organization, to consider the ways we may be complicit in systems of oppression. And it requires us to address sources of inequity urgently, sensitively, and consistently, even when the conversations are uncomfortable. *Especially* when the conversations are uncomfortable.



ANTI-RACISM FROM THE INSIDE OUT



*Source FY 2021 Employee Engagement Survey

WE PURSUE OUR GOAL OF BECOMING AN INCLUSIVE, ANTI-RACIST ORGANIZATION THROUGH A WIDE ARRAY OF EFFORTS AND RESOURCES, INCLUDING:

Anti-racism learning journeys for leaders:

Each of our top **38 executives** invested at least **30 hours** in anti-racism leadership development and personal coaching between October 2020 and July 2021. Overall, more than **315 participants** dedicated over **3,700 hours** to personal development through the anti-racism learning journeys.

In the words of one participant, "I am moved and compelled ... excited to build inclusivity into my team's DNA."

Our Antiracism Activation Center, dedicated to providing all team members with relevant, vetted resources including articles, videos, podcasts, and books, to continue their personal and professional education.

Brave Conversations, a quarterly speaker series on race and equity providing opportunities to learn from world-renowned leaders about what it means to be anti-racist. ([See page 36](#) for a spotlight on our event with Dr. Ibram X. Kendi, bestselling author and Director of the Center for Antiracist Research at Boston University.)

For hourly team members:

- ▶ Wage increases, with a minimum starting hourly rate of \$19
- ▶ TEMPO internal leadership and mobility programs
- ▶ University@Peloton ([see page 37](#))

Additional engagement opportunities for team members, including Heritage Months, such as Black History Month (February), Asian and Pacific Islander Heritage Month (May), Latinx Heritage Month (September), and UK Black History Month (October), and a variety of Cultural Moment Celebrations and other events put on by our Employee Resource Groups (see "Building Community with ERG Programming and Events" on [page 35](#)).

Third party DEI audit, assessing our recruitment, talent, performance, and people policies and practices.



FOSTERING BELONGING AT PELOTON: EMPLOYEE RESOURCE GROUPS

Peloton's ERGs provide support and create community for team members. Peloton invests in our ERG leaders, compensating them for their role with equity and offering them a variety of career development and learning opportunities.



ACE@Peloton
Supporting Peloton's Asian-Pacific Islander Community



Black@Peloton
Supporting Peloton's Black Community



LHIT@Peloton
Supporting Peloton's Latinx and Hispanic Community



The Parenthood Journey
Supporting Peloton's Parents



Peloton Pride + Allies
Supporting Peloton's LGBT Community



Thrive
Supporting Peloton's Disability and Neurodivergent Communities



Veterans@Peloton
Supporting Peloton's Veteran Community



Women's Alliance
Supporting Women at Peloton



Within the LHIT ERG we have made it a goal to come together to celebrate while honoring the differences within the Latinx community.

Whether it's sharing our stories or working out together under the leaderboard tag #LHIT, this is how we build community within our team.

¡Venga Peloton!

Alex Martinez
LHIT Lead

BUILDING COMMUNITY WITH ERG PROGRAMMING AND EVENTS

Our ERGs planned and executed more than 50 events and programs in FY21. To celebrate Asian American and Pacific Islander Heritage Month, our ACE ERG organized a panel of Asian artists hosted by instructor Emma Lovewell. To mark Juneteenth, Black@Peloton hosted a conversation between instructor Tunde Oyeneji and musician and actor Common.

In addition to supporting team members, ERGs can influence product enhancements by advocating for the voices of underrepresented groups. To give one example, our Pride + Allies ERG inspired the creation of the "Non-Binary" gender option on Peloton product leaderboards, and the Thrive ERG, which works on issues related to disabilities and mental health, has helped to make the Peloton Member experience more accessible.

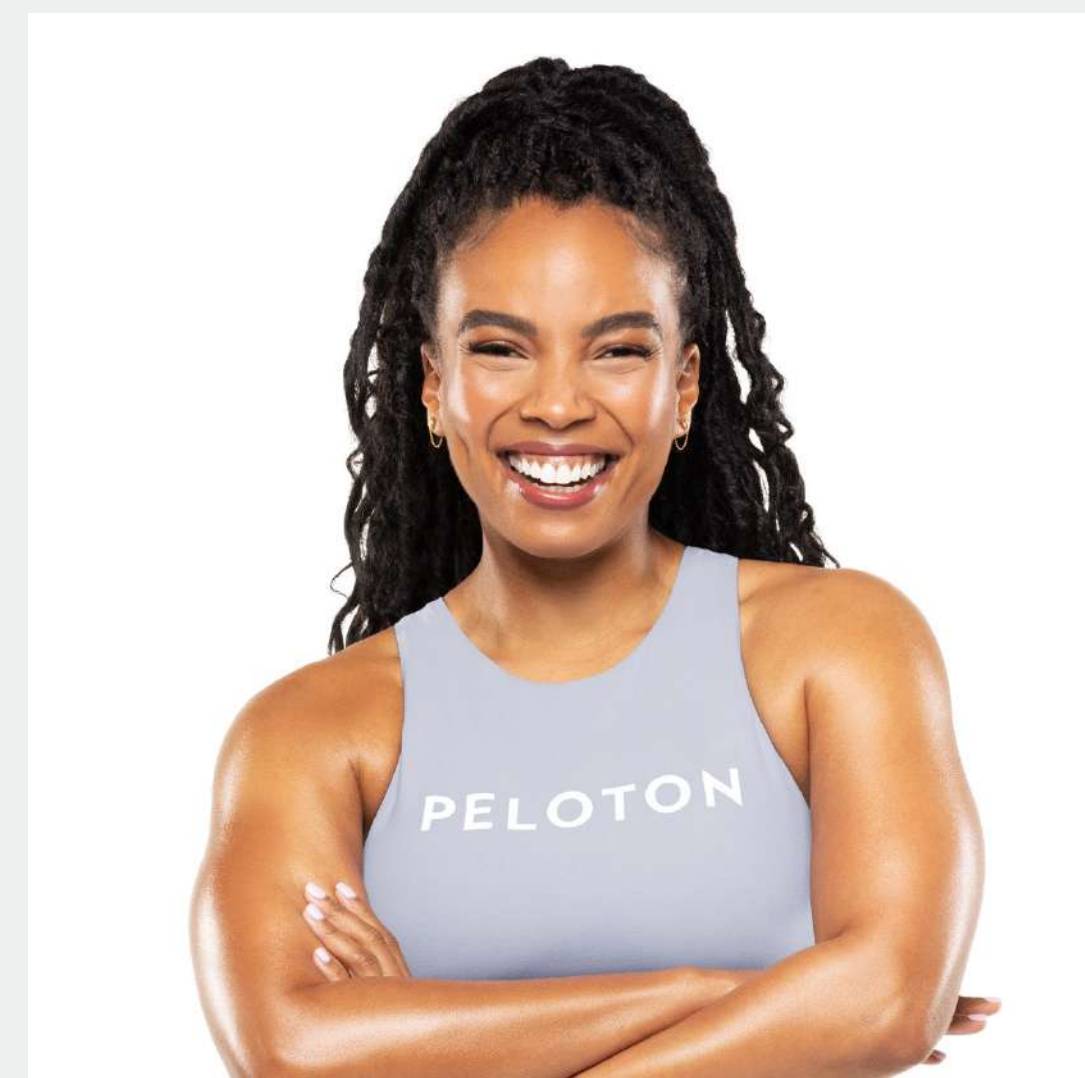


BRAVE CONVERSATIONS SPOTLIGHT: DR. IBRAM X. KENDI

IN CONVERSATION WITH
DR. CHELSEA JACKSON ROBERTS



We kicked off *Brave Conversations: A Speaker Series on Race + Equity* in January 2021 with distinguished author, historian, and professor, Dr. Ibram X. Kendi. Dr. Kendi may be best known as the author of No. 1 New York Times bestseller *How to Be an Antiracist* and National Book Award winner *Stamped from the Beginning: The Definitive History of Racist Ideas in America*. He is a recipient of a MacArthur “Genius Grant” Grant and the director of the Center for Antiracist Research at Boston University, one of Peloton's social impact partners.



Hosting Dr. Kendi was our own Dr. Chelsea Jackson Roberts, a scholar, literacy advocate, graduate of a historically black college, and Peloton Yoga and Meditation Instructor. Nearly 1,000 employees joined us for an open, powerful, instructive conversation about what it means to be anti-racist and how we can pursue this journey together.



INTRODUCING UNIVERSITY@PELOTON

A PLACE IN THE CLASSROOM, A SEAT AT THE
TABLE, A VOICE IN THE WORLD.

Educational opportunity is fundamental to advancing racial equity. In 2021, we unveiled our plan for the **University@Peloton** – a cornerstone of the Peloton Pledge aimed at increasing access to and support for education for our frontline hourly teammates. **University@Peloton** combines resources and education to dismantle systemic barriers to progress by empowering team members to create the future of their dreams.

UNIVERSITY@PELOTON
WILL DELIVER THREE
PROGRAM VERTICALS
IN 2022-23:

THE ACCELERATED SPRINT

One-year reskilling bootcamps
directed toward specific roles

THE COLLEGE RUN

A dedicated university
partnership to provide cost-free
undergraduate degrees online

THE COMMUNITY FLOW

Pipelines from opportunity
groups directly to hourly jobs
vacated by U@P graduates



DIVERSITY, EQUITY, AND INCLUSION KPIs

To manage our progress toward anti-racism, we are quantifying and tracking our results and using what we learn to spur greater advances. Our internal DEI key performance indicators include:

- ▶ **ERG member engagement, including participation at events and on internal communications channels**
- ▶ **Anti-racism learning journeys, with a goal of 80% participation by people leaders**
- ▶ **Establishing DEI benchmark indices rankings and sustaining them year over year**
- ▶ **Establishing an employee engagement baseline survey score by ethnicity and gender**

We also are pursuing an external Black Equity at Work Certification through the organization Management Leadership for Tomorrow. This certification will hold us accountable for a broad array of KPIs related to Black Equity, encompassing representation, employee compensation and benefits, inclusive antiracist work environment, racially just business practices (supplier diversity), and racial justice contributions and investments.

ENGAGING OUR BUSINESS PARTNERS ON DEI

SUPPLIER DIVERSITY EFFORTS

We are building systems that seek to ensure that our purchasing power contributes to progress on anti-racism. To that end, we have established an Economic Inclusion + Supplier Diversity Team that will bring our DEI priorities to life in our supplier relationships and engagements.



DEI: LOOKING AHEAD

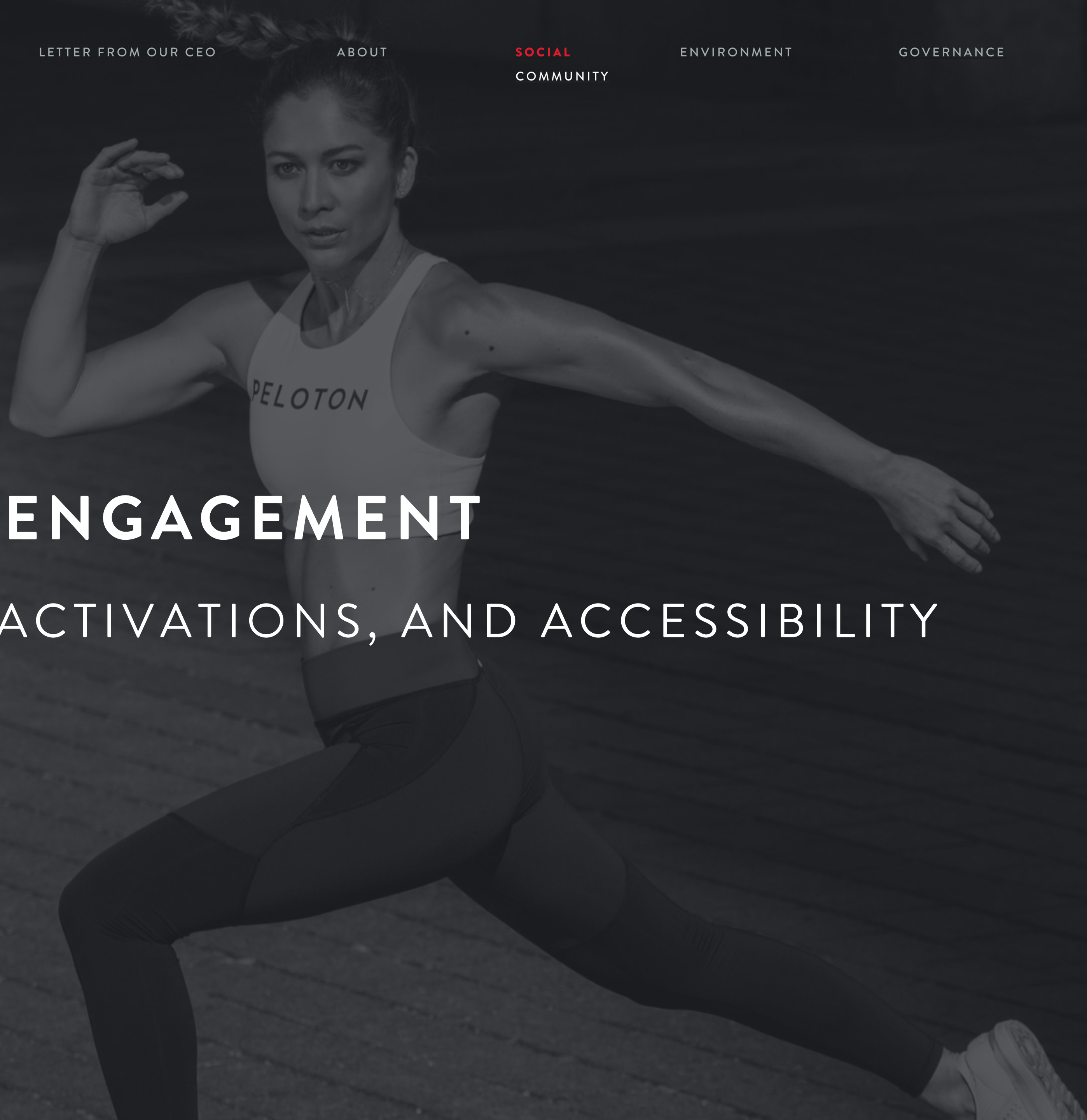
WE HAVE MADE REAL PROGRESS OVER THE PAST YEAR, BUT WE ARE KEENLY AWARE THAT WE HAVE MORE WORK TO DO.

Our DEI work is guided by a multiyear, multifaceted global strategy centered on attracting, retaining, and valuing diverse talent, and on following through on our commitment to become an antiracist organization that mirrors our members and communities.

Peloton joined forces with **Jobs Ohio** and **Televerde Foundation** in 2021 to curate opportunities for previously incarcerated individuals. We will work with other leading city and state agencies to increase career opportunities for alternative talent pools, thus building an educational pipeline to full-time employment and fostering systemic change. As noted above, our efforts also include partnerships with **MLT** to pursue the **Black Equity at Work Certification** and with

Disability:IN to create a more inclusive workplace for people with disabilities.

Continuing to foster a culture of inclusion will require the active participation of all our team members. Team members help us deliver on our commitment to increase the diversity of our workforce and the inclusiveness of our culture by engaging in our anti-racism learning experiences and acting on what they learn. We are expanding our DEI training and updating our engagement survey with questions focused on inclusion, because we want every team member to have an active voice in our journey toward becoming an inclusive and anti-racist organization.



COMMUNITY ENGAGEMENT

PARTNERSHIPS, ACTIVATIONS, AND ACCESSIBILITY



SOCIAL IMPACT PARTNERSHIPS

We have an urgent responsibility to use our platform and resources to further positive change, contribute to greater equity, and advance justice in our communities and society at large.

Our social impact partnerships seek to support the physical and mental wellbeing of individuals who experience systemic inequities, thereby empowering them to be the best version of themselves. We seek to drive change by:

1

Looking within the communities where Peloton operates to identify populations experiencing inequities due to systemic racism and discrimination

2

Understanding the greatest barriers systemic racism and discrimination have placed in the way of accessing and engaging with physical and mental health

3

Finding the best organizations that address those specific barriers

4

Collaborating to develop programs that will work on the ground

5

Measuring the resulting shifts in knowledge, attitudes, and behaviors that lead to improved health and wellness

6

Using the data gathered to inform the design of future iterations of these collaborations



OUR PARTNERS

We partner with leaders and action-oriented groups to drive change in the broader community. These efforts involve much more than funding. We aspire to become deeply involved with our social impact partners over long periods of time: truly partnering to support them in their work, collaborating in developing and enacting change-making programs, and welcoming them as valued members of the Peloton community.



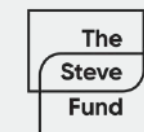
Boston University Center for Antiracist Research

The Center for Antiracist Research at Boston University aspires to build an anti-racist society that ensures racial equity and social justice. Led by one of today’s foremost anti-racist scholars, Dr. Ibram X. Kendi, it is focused on uprooting the hows and whys of racial inequities. As part of our partnership, the center will employ youth-led participatory action research to analyze and address the effects of racism on fitness and mental health.



Take a walk. Join a movement!

GirlTrek inspires its network of over 1.3 million Black women and girls to use daily walks as a practical tool for healthy lives, families, and communities. Our first collaboration is supporting the development of a series of digital and in-person experiences that bridge place, history, storytelling, and programming to help women reclaim the narratives of their own lives and communities through walking.



The Steve Fund promotes the mental health and emotional wellbeing of young people of color and their families. Together, we will amplify its mission to bring culturally competent mental health resources and programs to communities across the country.



Local Initiatives Support Corporation (LISC) is a nonprofit dedicated to closing racial health, wealth, and opportunity gaps. We are working with LISC as part of its ambitious racial equity agenda to enhance facilities where people can grow through movement, mindfulness, and more. Together, we’re partnering with the Women’s Housing and Economic Development Corporation (WHEDco) in NYC and the Wayman Palmer YMCA near Peloton Output Park in Toledo, Ohio, to support new fitness spaces that include Peloton equipment and programming.



Promoting ethnic diversity in sport & physical activity

Sporting Equals UK works with a network of grassroots partners to support the physical health and wellbeing of ethnically diverse communities in London. By joining forces, we will help deliver sport, health, and wellness workshops across 15 different cultural, community and faith centres, empowering 3,000+ individuals to be the best version of themselves through movement.



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. To further their impact, Peloton is working with TAIBU to support these initiatives that engage and promote healthy activities across generations.



Ipsos uses an innovative approach to provide culturally responsive mental health resources for the community, by the community, with a network of counselors from more than 20 nations. With support from Peloton, Ipsos will hire and train additional teams of psychologists for Value-Based Counseling as well as fund the creation of an app to make counseling more accessible to mobile communities.



Beyond Blue is a deeply community-centric organization that has provided resources for people at all stages of the mental health continuum for over 20 years. We are proud to support the creation of Beyond Blue’s new peer-to-peer online services for all people in Australia including Aboriginal and Torres Strait Islander people and other Multicultural communities. This platform aims to increase connectedness, reduce stigma around mental health, and provide access to culturally safe mental health support.



SOCIAL IMPACT PARTNER SPOTLIGHT:

“

Peloton has made it possible for us to expand our reach in new and exciting ways — and there has never been a greater need to promote mental health and emotional wellbeing.

Stephanie Bell-Rose
The Steve Fund

“

When we first met with Peloton, it was clear they had done their homework and were forward-thinking, innovative, and action-oriented. They are a true partner, and our partnership brings much energy and hope.

Arun Kang
Sporting Equals UK



DEMOCRATIZING ACCESS TO FITNESS

As we work in our communities, we believe we also have an opportunity to contribute to positive change through our core business. We believe our mission — to use technology and design to connect the world through fitness, empowering people to be the best version of themselves anywhere, anytime — is especially relevant and valuable to members of underserved populations.

The **Peloton Pledge** includes a commitment to democratize access to fitness and to bring health and wellness to all communities. We are working to make our products and content more accessible, with the goal of at least 10% of classes streamed to and taken by members of underserved communities by 2024.





FOSTERING AN INCLUSIVE COMMUNITY

We celebrate the unique identities that make up our community, empowering each Member to show up as their full self every day. Through our content, products, marketing, and more, we strive to provide a platform where Members can show up as their full selves in their workouts and interactions with one another. We underscore our commitment to our diverse Member community with concrete action, including partnerships, engagement opportunities, and initiatives to enhance product accessibility.



CHAMPIONING SHARED IDENTITIES & ALLYSHIP

We believe the Peloton platform can play a key role in celebrating cultural heritage and history, and engaging members in allyship. Throughout the year, we mark several cultural heritage months – including Black History Month, Women’s History Month, Asian and Pacific Islander Heritage Month, LGBTQ+ Pride, and Latinx Heritage Month.

Through themed classes, artist series, community events, apparel collaborations, and more, we create opportunities for our Instructors, team members, and Members to celebrate their shared identities, histories, and cultures, and for the entire Peloton community to stand in allyship.

Beyond our platform, we extend our impact by working with partners in each community who are increasing access to physical fitness and mental health, including those listed at right.

ASIAN AMERICAN FEDERATION

We have partnered with the Asian American Federation (AAF), an organization that furthers justice, wellness and opportunity for Asian American communities. Building on our existing partnership, we will support AAF’s mental wellness initiatives for Asian American individuals and families.

THE ALI FORNEY CENTER, THE 519, LONDON FRIEND, GLADT

We’re proud to support **The Ali Forney Center** in New York, **The 519** in Toronto, **London Friend** in London and **GLADT** in Berlin. These organizations protect and foster the journeys of individuals in LGBTQ+ communities across the world, and we’re proud to partner with them in their mission.

HISPANIC SCHOLARSHIP FUND

We work with the **Hispanic Scholarship Fund** to empower the next generation of Latinx voices. We’re proud to accelerate their work to provide critical support services, including mental and physical wellness, to Latinx and Hispanic students.

261 FEARLESS

We’ve partnered with 261 Fearless, a global organization helping women from varied backgrounds gain self-esteem and grow in fearlessness through running. Together, we’ve expanded their high-quality, year-round education program to new women leaders and coaches across the U.S., U.K., Germany, and Canada.

Each of these moments serves as a representation of our commitment to diversity and inclusion, one that we work toward each and every day.



SUPPORTING HISTORICALLY BLACK COLLEGES AND UNIVERSITIES

We are always looking for innovative ways to connect our content and our communities to drive meaningful impact. Look no further than our Peloton x Beyoncé multitiered partnership.

In 2020, we launched our partnership to celebrate Homecoming season through a diverse offering of multidiscipline classes, curated with Beyoncé to amplify the annual fall celebration for students at Historically Black Colleges and Universities (HBCUs) that honors tradition, legacy, and Black excellence.

As we strive to underscore all our cultural celebrations with genuine impact, we launched new comprehensive relationships with 10 HBCUs across the United States. Our HBCU partners are Bennett College, Clark Atlanta University, Grambling State University, Hampton University, Howard University, Morehouse College, Morehouse School of Medicine, Spelman College, Texas Southern University, and Wilberforce University.



PELOTON X BEYONCÉ

In 2020, we gifted two-year Peloton App memberships to every student at each university, providing access to our full library of fitness classes through the Peloton App that can be used with or without equipment. In 2021, we gifted fitness equipment, including Peloton Bikes and All-Access Memberships, to each school's fitness center(s) to build on our commitment to democratize wellness at our partner schools.

Additionally, we are actively working with each school to cultivate internship and job opportunities - enabling access to top talent for our business and providing HBCU candidates with rewarding opportunities. These partnerships mark the beginning of an exciting journey for Peloton, as we look forward to continuing and expanding our efforts.



BRINGING MEMBERS IN

Becoming a truly antiracist company is a priority for Peloton, and we are committed to bringing our Members along on our journey.

Our virtual Homecoming 2021 event — which was attended by more than 400,000 Members globally — included our first-ever Social Impact Panel. Our biggest annual Member event, Homecoming brings together Members and Instructors around the world for an uplifting celebration of the Peloton community through classes, panels, meet-and-greets, and more.

The panel, “The Peloton Pledge: Working Towards an Anti-Racist Future,” featured Peloton Head of Global Marketing Dara Treseder moderating a spirited, interactive discussion between representatives from our partners at the Steve Fund, the Boston University Center for Antiracist Research and GirlTrek, including questions submitted by Members. As we progress in our anti-racist work, we are excited to provide even more opportunities for our Members to learn and grow alongside us.

CREATING ANTI-RACIST CONTENT

In June 2020, in response to the murder of George Floyd, Cycling Instructor Tunde Oyenehin and Yoga and Meditation Instructor Chelsea Jackson Roberts joined forces to create “Breathe In, Speak Up,” a first-of-its-kind collection of Cycling and Meditation classes. In this powerful series, Tunde and Chelsea share their experiences and amplify the perspectives of the Black community, encouraging Members to move through discomfort and harness their voice to speak out against injustice. Throughout the year, the pair returned to the series for 12 additional classes, checking in with the community and ensuring that these important conversations continue long after the events of 2020.





DESIGNING FOR ACCESSIBILITY

We know that the first step to a truly inclusive community is inclusive products.

We believe that accessibility should be a core competency of product development. As such, we are forming a team of accessibility experts across different disciplines to ensure that every hardware and software team is consistently building inclusive and accessible products. Fitness is dynamic and personal, and we strive to learn from and collaborate with Peloton Members and world-class athletes who have disabilities to reimagine what exercise can be.



Here's how we've expanded accessibility in our products to date:

- ▶ **In July 2020**, we launched TalkBack on Bike and Bike+ to enable Blind and Low-vision Members to use our cycling equipment independently. We worked with Members to collect feedback and improve the experience.
- ▶ **In June 2021**, we released a feature enhancement to TalkBack on the Bike+ that periodically announces the rider's Cadence, Output, and Resistance so that Blind and Low-vision Members can more easily stay on top of their in-class cycling experiences.
- ▶ **In August 2021**, we released live subtitles to empower Deaf and Hard of Hearing Members to have the same level of access to live classes as Members without hearing disabilities.

Our teams will continue to work thoughtfully and diligently toward our goal of creating a valuable, intuitive fitness experience for every type of body.



ENVIRONMENT



OUR SHARED FUTURE

COMMITTING TO SUSTAINABILITY



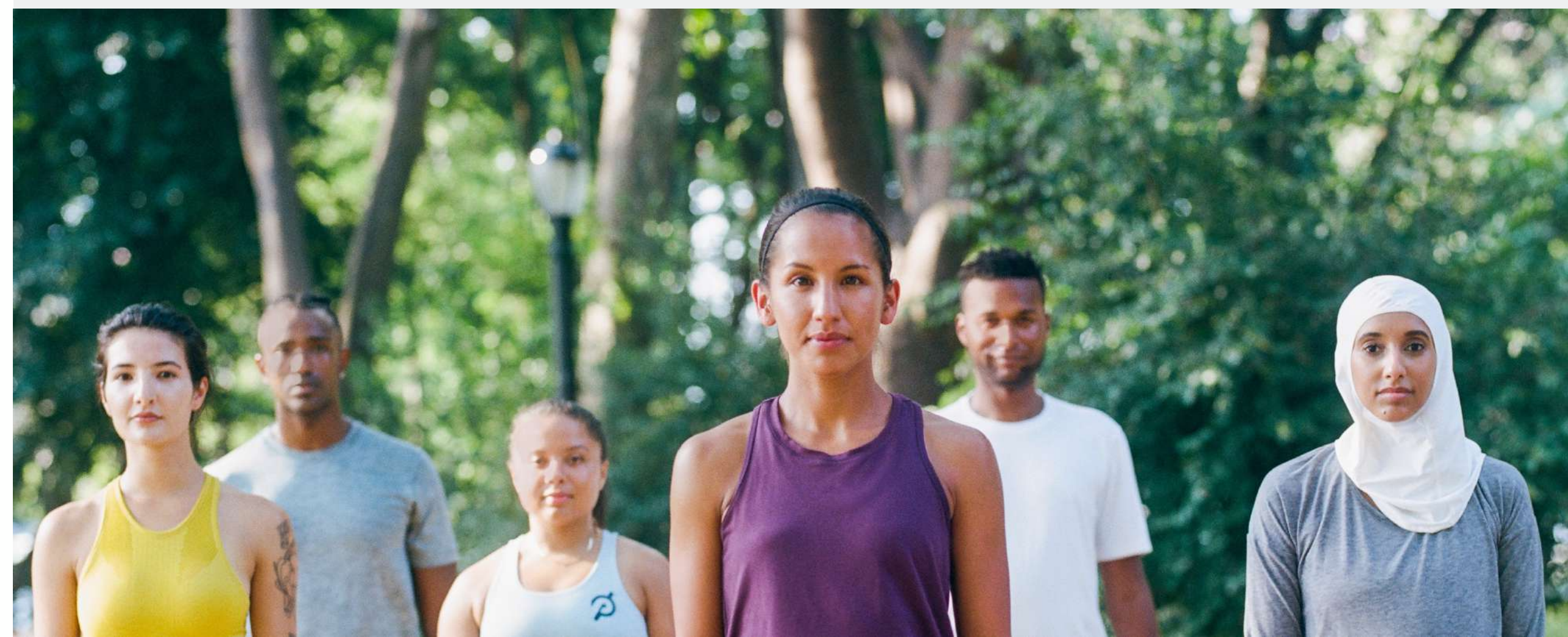
WE HAVE BUILT PELOTON ON THE CONVICTION THAT ALL OF US, INDIVIDUALLY AND COLLECTIVELY, CAN HELP CREATE A BETTER FUTURE. THAT BELIEF APPLIES TO ENVIRONMENTAL SUSTAINABILITY AS WELL AS PERSONAL FITNESS AND WELLBEING.

We recognize that sustainability is critical to our business resilience and to the stability of the world in which we operate. Our stakeholders expect action; there is a business opportunity to capture; and we know that playing our part to protect our planet for future generations is the right thing to do and benefits all of us.

We are working to integrate sustainable principles throughout our business, starting with measurement and transparency and moving quickly to act on the highest-impact opportunities across our value chain.

We're approaching these tasks with the pragmatic optimism that characterizes our culture, and we find many recent developments encouraging. Maybe most importantly, the world's understanding of sustainability and what it takes to achieve it has increased dramatically in recent years. Leaps in technology and affordability are enabling a global shift toward sustainable business to a degree that would have been almost unimaginable just a decade ago, while evolving regulation and infrastructure are accelerating the transition.

We believe our business model is primed to reduce the environmental footprint of fitness. With our close Member relationships, we can provide opportunities to extend product lifetimes through maintenance, upgrades, and takebacks. And with our vertically integrated model, we can make long-term decisions across all aspects of our value chain as we seek to address our full system impacts. Maybe most importantly, developing innovative, system-wide solutions to overcome challenges is in our DNA — it's what we do every day.





INTRODUCING OUR SUSTAINABILITY ASPIRATIONS

In 2021, we identified five core aspirations to anchor our sustainability program. They address our greatest environmental impacts and areas of focus that are especially close to Peloton’s brand identity and our team member and Member experience. In the coming year, we intend to announce targets indicating how we plan to make and measure progress towards our sustainability aspirations.

FIVE ENVIRONMENTAL ASPIRATIONS GUIDE OUR STRATEGY:



CREATE fitness that leaves a mark on the world, equipment that doesn’t. We’ll continuously improve the environmental impacts of our products and accessories, from materials to manufacturing.



RECLAIM materials, pursuing circular solutions across our products, supply chain, and interactions with Members and team members. We’ll aim to give it everything and waste nothing.



WEAR sustainability on our sleeve. We’ll tackle environmental challenges head-on across our apparel business – from design to use and beyond.



POWER up for the clean energy future. As we grow, we’ll look for opportunities to power our operations with carbon-free electricity.



MOVE from factory floor to final mile – and back again – without a trace. We’ll seek efficiency and decarbonization opportunities across our business operations and logistics network.



OUR APPROACH

We are developing short-, intermediate-, and long-term plans to achieve our environmental aspirations. We will roll out our plans in two stages over the coming years, regularly sharing progress on our journey.

As we plot our environmental strategy, we are building on momentum from initiatives already underway. We're drawing strength from our culture of engagement, collaboration, and pursuit of excellence, as well as from an enthusiastic commitment from our executive leadership and our Board of Directors.

FY21/22

BUILD AND INITIATE.

We are taking a number of immediate steps (see the following page) while building our sustainability muscle across the organization by ensuring we have the systems, people, and processes in place to bring our strategy to life.

FY23/24

INTEGRATE AND ACCELERATE.

We aim to ensure that we are making progress on our commitments, accelerating our actions on our highest environmental priorities, and continuing to integrate sustainability across the business.



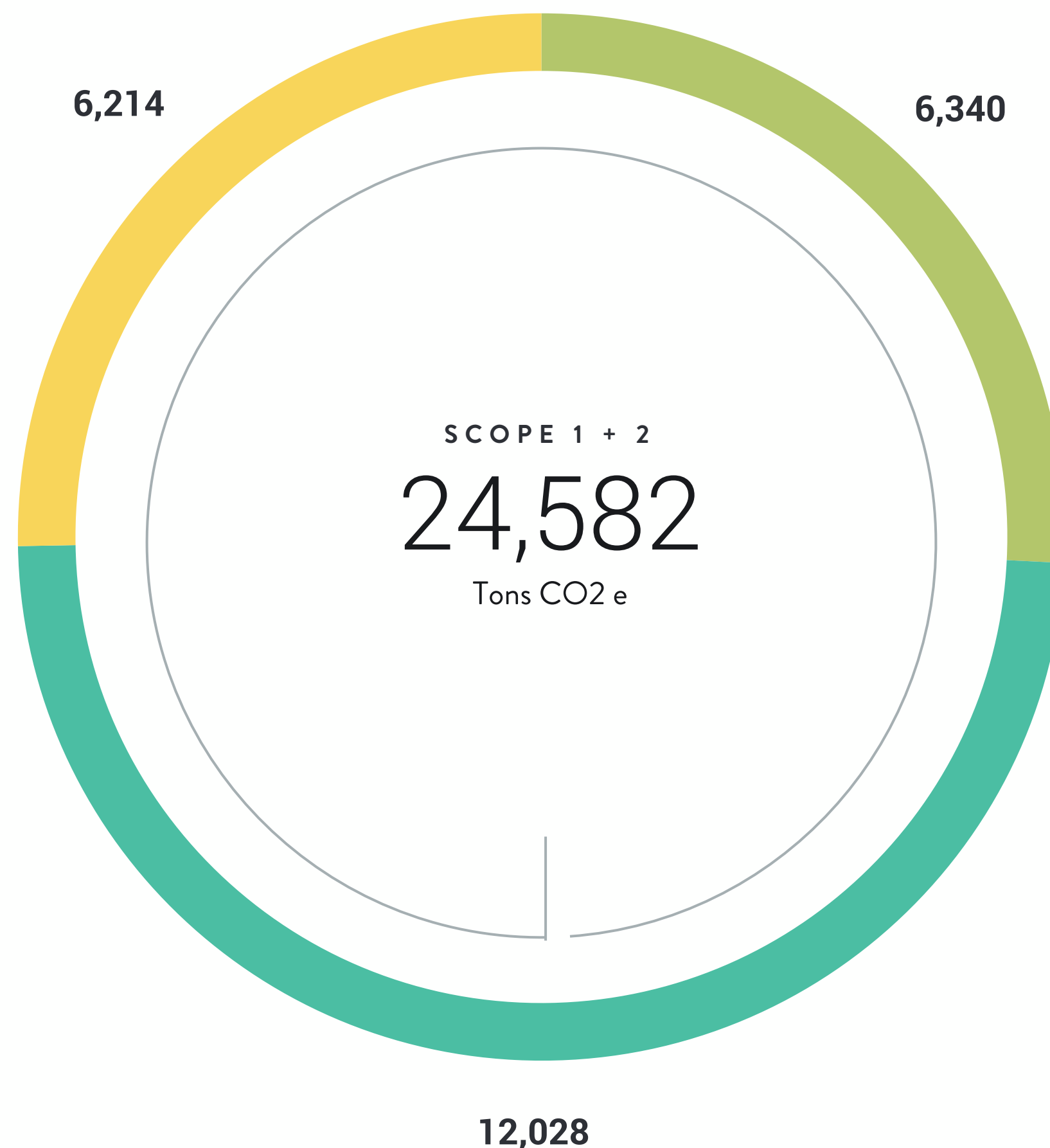
CARBON ACCOUNTING

TO MAP OUR JOURNEY, WE FIRST NEED TO DETERMINE WHERE WE ARE NOW.

We have been working to set baselines across our value chain for greenhouse gas (GHG) emissions from direct operations (Scope 1 and 2) and are preparing to do the same for full value chain (Scope 3) emissions.

This is our first disclosure related to that work. It covers Scope 1 and 2, and upcoming disclosures will report on Scope 3. We also intend to provide greater granularity in subsequent disclosures. We are committed to transparency and intend to report regularly, including responding to the CDP climate change questionnaire in 2022.

CORPORATE EMISSIONS WORLDWIDE FOR FY21 (JULY 2020 - JUNE 2021)



	Footprint	Unit
Scope 1		
● Stationary combustion	6,340	tons CO2 e
● Fleet vehicles	12,028	tons CO2 e
Scope 2		
● Electricity (market-based)	6,214	tons CO2 e
Electricity consumption	18,993	MWh
Electricity (location-based)	6,147	tons CO2 e

Emissions associated with Precor are excluded from this year's disclosure. Peloton's acquisition of Precor was completed in April 2021 and was under Peloton's operational control for three months of FY21. We intend to include Precor in future disclosures.

[FY21 GHG Data Verification Statement](#)



PELOTON OUTPUT PARK

In August 2021, we broke ground on a dedicated U.S. Peloton factory, marking the start of a new era for our company. The Troy Township, Ohio, factory is called Peloton Output Park – POP, for short.

The new factory will be a cornerstone of our growth. It will enable us to build more Bikes and more Treads more sustainably.

RENEWABLE ENERGY

will be generated on-site, providing power to operations.

PROXIMITY TO END MARKETS

will enable modal shifts such as rail and reduce transport distances.

ENVIRONMENTALLY RESPONSIBLE PLANNING

will protect and maintain on-site wetlands.

HYDROGEN FUEL CELLS

will power our fleet of fork trucks with carbon-free energy.

INNOVATIVE ENGINEERING SOLUTIONS

will continually improve the environmental impact of our manufacturing processes.



“

We intend to fulfill the implicit promise Peloton has made to our team and members – doing our part in enabling our world to become the best version of itself. We’re also pragmatic optimists and believe in holding ourselves accountable. That’s why, next year, we intend to announce targets illustrating how we plan to make and measure progress towards our sustainability aspirations.

Julia Matthews
VP, ESG Strategy

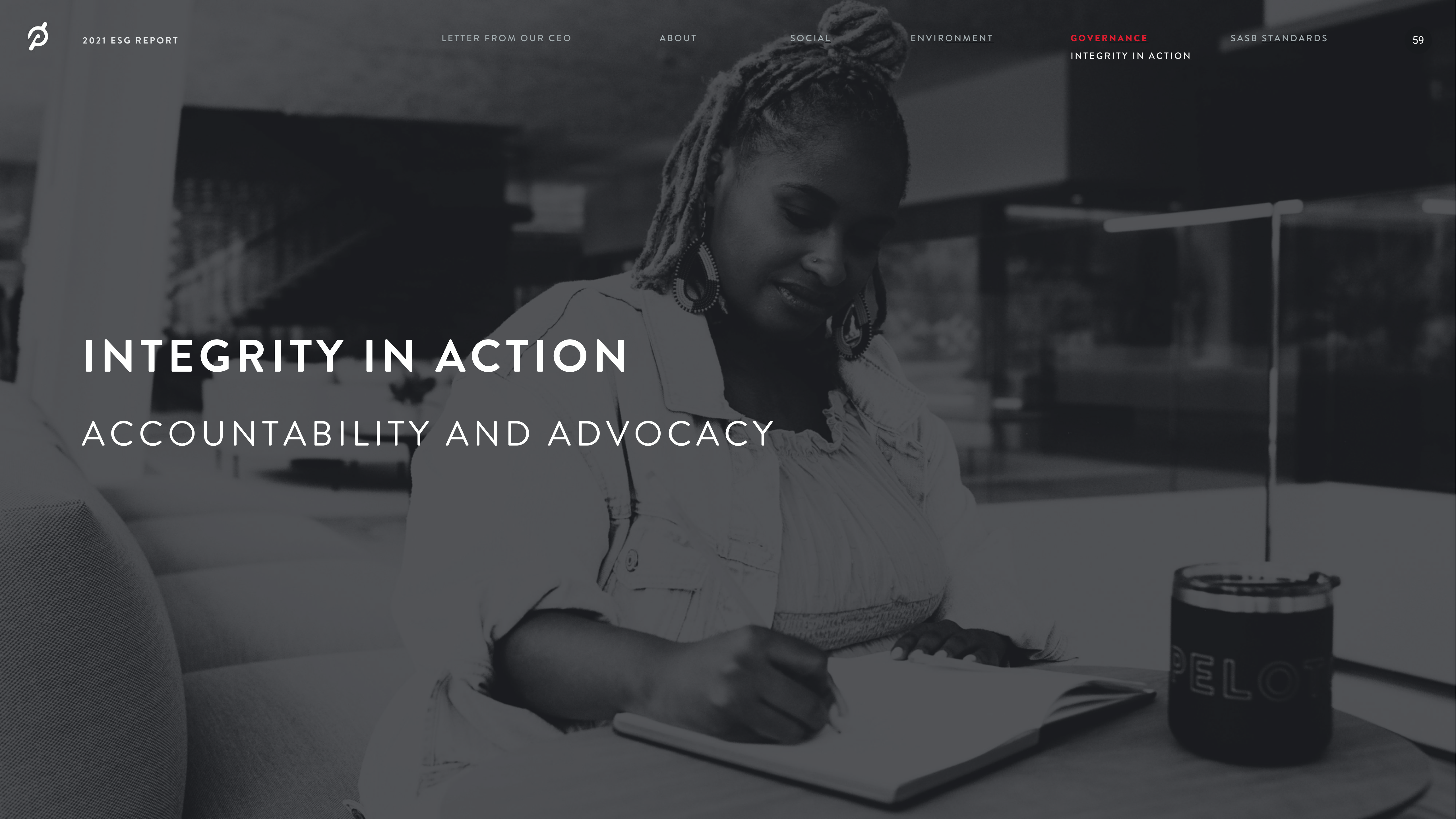


GOVERNANCE



INTEGRITY IN ACTION

ACCOUNTABILITY AND ADVOCACY





GOVERNANCE STRUCTURE AND ENGAGEMENT

We are committed to strong corporate governance. Our governance structure is designed to ensure transparency, accountability, and ethical behavior and to promote the long-term interests of our stockholders. We employ the following Board and leadership practices:

We are accountable to a variety of stakeholders, including our team members, Members, suppliers, business partners, investors, and communities. We build our governance structures, policies, and procedures to earn and maintain the trust of each group.

For detailed information about our corporate governance structures, policies and practices, please see our [2021 Proxy Statement here](#).

- ▶ A majority of our directors are independent
- ▶ Independent directors conduct regular executive sessions
- ▶ Directors maintain open communication and strong working relationships among themselves and have regular access to management
- ▶ The Board has appointed a Lead Independent Director with well-defined rights and responsibilities separate from the Chairman of the Board
- ▶ A Lead Independent Director is appointed for an initial term of two years, after which they may be considered for reappointment annually
- ▶ Our Board of Directors has established an audit committee, a compensation committee, and a nominating, governance, and corporate responsibility committee. All Board committees are composed of independent directors
- ▶ Our Board committees regularly receive comprehensive risk oversight reports on matters including cybersecurity, data privacy, legal and regulatory matters, executive compensation, and other critical evolving areas
- ▶ **Our nominating, governance, and corporate responsibility committee oversees our programs relating to corporate responsibility and sustainability**, including environmental, social, and corporate governance matters and related risks
- ▶ Our SVP, Global Head of Diversity, Equity and Inclusion (DEI), and VP, ESG Strategy, provide regular updates to the Board
- ▶ The Board is focused on enhancing refreshment and diversity, including with respect to age, gender, race, ethnicity, and occupation
- ▶ The risk oversight responsibility of our Board of Directors and its committees is supported by management level committees, which include our risk committee, product safety committee, and our disclosure committee. Our risk committee, which is co-chaired by our SVP, Head of Compliance & Risk, SVP, Internal Audit and SVP, Treasurer and composed of numerous members of senior management across our business, implements our overall enterprise risk management reporting processes
- ▶ Directors conduct a robust annual Board and committee self-assessment process
- ▶ The Board has related-party transaction standards for any direct or indirect involvement of a director in the company's business activities



Peloton seeks to unite the world through fitness. At our core, we believe physical activity is fundamental to a healthy life. And we believe that acting honestly and with integrity is fundamental to a healthy business. Our motto is **“Together we go far”**: If we work together, we’ll be the best that we can be, individually and collectively.

THE PELOTON CODE OF CONDUCT

Peloton’s Code of Conduct helps us to **promote our values**. It defines the principles that underlie the behaviors we expect from our team members, and it reinforces our commitment to comply with laws and regulations everywhere we do business.

The Code applies to all team members of Peloton and its subsidiaries, to all Board members when they are acting in their capacity as directors and to all suppliers, agents and contractors.

To fulfill our core value of being the best place to work, we create the right tone from the top—making clear that the way we conduct business is as important as the business itself. Honesty and ethics are among our core principles. The Code addresses topics such as ethical decision-making, avoiding conflicts of interest, and protecting confidential information and intellectual property. Our antibribery, travel and expense, procurement, and other policies are designed to

ensure that price and quality are the only factors influencing our work with vendors and suppliers.

All team members are expected not only to exercise care and common sense, but also to understand how various laws and regulations — for example, those related to anti-bribery, antitrust or insider trading laws — **apply to their responsibilities**. At all times, Peloton team members are responsible for ensuring that the company is operating in a compliant manner that builds trust in the Peloton business.

The Code **places an equally strong emphasis on ensuring the integrity** of Peloton’s books, records, documents, and accounts, and delivering complete, fair, and accurate public reports.



PUTTING THE CODE INTO ACTION

Complying with the Code is every team member's responsibility. Every part of our business is tasked with upholding Peloton's standards and following the laws and regulations in all communities where we operate. Peloton has taken a number of steps to enhance our ability to meet the commitments expressed in our Code of Conduct.

In **FY21**, Peloton hired an SVP for Compliance and Risk, who is responsible for the effectiveness of Peloton's compliance program at preventing, detecting, and responding to illegal or unethical conduct, with oversight from the Audit Committee of the Board of Directors. This executive and other governance leaders report regularly on ethics and compliance matters to Peloton's Audit Committee.

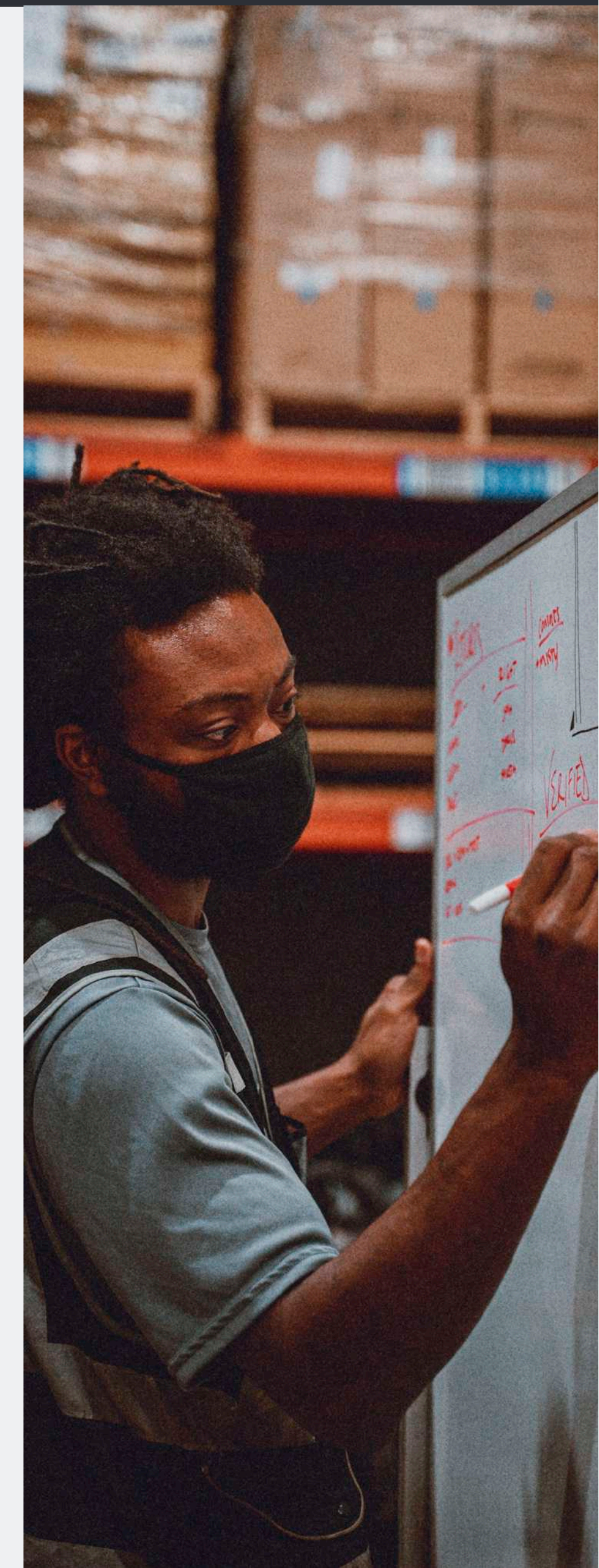
Peloton consistently engages with management team members around issues related to ethics, compliance, and various enterprise-wide risks. For example, Peloton has a Product Safety Committee composed of senior leaders from the Compliance, Legal, Hardware, Software, and Quality teams, which enhances Peloton's Product Safety programs and the monitoring of product safety issues across operations.

Our most recent team member survey included questions on a variety of governance-related topics, including the strength of Peloton's culture of integrity and team members' awareness of channels available to report concerns. These results will be evaluated at the team, manager, and worksite levels. We continually use what we learn through employee

engagement surveys to help managers, teams, and worksites identify opportunities to strengthen the culture of integrity in the workplace.

Peloton currently requires all team members to read the Code of Conduct. We are continually enhancing our training efforts in **FY22** to ensure that all team members understand how the Code of Conduct applies to the work they do at Peloton and to address other areas of regulatory compliance.

Speaking up is an expectation under the Code, which makes it clear that team members will not get in trouble for good-faith reporting of concerns and that Peloton will not tolerate retaliation for reporting concerns or participating in an investigation. Peloton encourages team members to report concerns through their managers, the People team, the Risk, Ethics and Compliance team, or through our 24/7 Ethics Hotline or online Ethics Portal, which is made available in all countries where we have employees and allows for anonymous reporting. All reports are investigated to ensure consistent enforcement, and when violations are detected, proportionate actions are taken.





COMPLIANCE COMMITMENTS

This year we are continuing efforts to enhance the foundation and structure of our company's compliance program. Our work will align with a variety of frameworks, including the U.S. Department of Justice's Evaluation of Corporate Compliance Program, and includes the following elements:

LEADERSHIP

Ensuring that the compliance program is properly resourced, and that Peloton's leaders and managers are accountable for setting a tone at the top of integrity and ethics.

RISK ASSESSMENTS

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

POLICIES, STANDARDS, AND CONTROLS

Continuing to develop policies and standards that address key risk areas and create controls to mitigate the company's 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

Conducting investigations into possible violations of the ethics and compliance program, remediating gaps, and taking corrective action as necessary.



POLICY AND ADVOCACY

Peloton engages proactively with policymakers and thought leaders, both locally and globally, to build support for our equity imperatives; for the democratization of fitness, health, and wellness; and for investments in the communities in which we operate. Our outreach has taken many forms, and we will continue to advocate for broader access to physical and mental health for all.

TESTIFYING IN SUPPORT OF ANTI-ASIAN HATE LEGISLATION

In April 2021, cycling instructor Emma Lovewell played an important role in lobbying members of Congress to advance federal legislation intended to track and curb violence against Asian-Americans and Pacific Islanders. Emma similarly raised public awareness about anti-AAPI hate crimes in her classes and in national media interviews.

BREAKING GROUND IN OHIO: PELOTON OUTPUT PARK

Peloton worked with civic leaders and officials at the city, county, state, and federal level to lay the groundwork for Peloton Output Park (POP), our new factory in Troy Township, Ohio. The August groundbreaking for the \$400 million, 1 million square foot facility was attended by more than 120 people, including Ohio Governor Mike Dewine, Lt. Governor Jon Husted, and U.S. Representative Bob Latta.

STANDING UP FOR LGBTQ+ RIGHTS

In July 2019 (FY20), we joined over 200 companies to sign and file a "friend of the court" brief with the United States Supreme Court (SCOTUS) to support the protection of LGBTQ individuals against discrimination under federal law. Almost a year later, in June 2020, SCOTUS ruled in a 6-3 decision making it illegal for employers to fire, mistreat, or otherwise discriminate against employees merely because they are LGBTQ. We also lobbied congressional leaders in support of the Equality Act, signed on to the Business Coalition for the Equality Act in FY20 and reaffirmed our participation in FY21. And in March 2021 (FY21), we proudly joined 70 major companies in a statement opposing anti-transgender state legislation that would seek to ban transgender youth from participating in sports, prevent access to affirming, life-saving healthcare for transgender youth, and more.



SASB STANDARDS



SUSTAINABILITY DISCLOSURE TOPICS

In developing this report, we have been informed by selective application of the [Sustainability Accounting Standards Board](#) (“SASB”) Sustainability Accounting Standards for the Toys and Sporting Goods, Leisure Facilities and Internet Media & Services industries (Version 2018-10).

Peloton operates at the nexus of fitness, technology, and media. As such, we believe that Peloton’s business model is best represented by the specific industry standards that are listed below. We intend to periodically evaluate these disclosure topics as our business model evolves and we expand our reporting capabilities.

[FY21 GHG Data Verification Statement](#)

TOYS AND SPORTING GOODS

- ▶ Chemical & Safety Hazards of Products
- ▶ Number of Manufacturing Facilities, Percentage Outsourced

Omitted:

- 1) Labor conditions in the supply chain
- 2) Annual production

Details: We intend to expand our reporting boundary to cover labor conditions in the supply chain in future reports.

LEISURE FACILITIES

- ▶ Energy Management
- ▶ Customer Safety
- ▶ Workforce Safety

Omitted:

- 1) Attendance
- 2) Number of customer-days

Details: Peloton Members primarily engage with our content and equipment at home, rather than in our retail locations.

INTERNET MEDIA & SERVICES

- ▶ Data Privacy, Advertising Standards & Freedom of Expression
- ▶ Data Security
- ▶ Employee Recruitment, Inclusion & Performance
- ▶ Intellectual Property Protection & Competitive Behavior

Omitted:

- 1) Environmental footprint of hardware infrastructure
- 2) Entity-defined measure of user activity
- 3) Data processing capacity
- 4) Amount of data storage

Details: Peloton does not operate our own data centers, nor do we primarily function as an Internet Media and Services company. Operational metrics will be included as we expand our reporting scope. We do not yet report vendor activity but intend to do so in future years.



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