ARITZIA

ESG Executive Summary FY2021



The Aritzia Community™ Care Program to support COVID-19 frontline healthcare heroes - See Page 7

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About this Executive Summary:

The Aritzia Fiscal Year 2021 Environmental, Social and Governance (ESG) Executive Summary provides a summary of the Aritzia's ESG priorities and progress against them across our direct operations, supply chain and surrounding communities.

The Executive Summary covers Aritzia's Fiscal Year 2021 (March 1 2020, through February 28 2021).

For further details and updates on Aritzia's ESG strategy, please visit Aritzia's Sustainability webpages.

LETTER FROM OUR PRESIDENT & COO

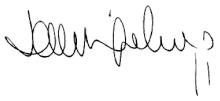


The past year, we witnessed a powerful global awakening brought on by the COVID-19 pandemic and other geopolitical and social events which challenged businesses everywhere. Despite significant obstacles, we're proud of our commitment at Aritzia to each other and our community.

We understand that our long term resilience is reliant on our ongoing commitment to People and the Planet. With this in mind, we've developed a strategy to fuel our Environmental, Social and Governance (ESG) work. We know that this is fundamental to fully delivering Everyday Luxury that elevates the worlds of our People, our clients and our communities.

Given the unprecedented challenges of fiscal year 2021, we were proud to be able to advance our ESG agenda. We're confident in our ability to contribute to a more just and sustainable future and to maintain the transparency and accountability our stakeholders count on from us.

Thank you for joining us on the journey. Together, we will continue to navigate Aritzia's ESG future.



Jennifer Wong
President & COO

INTRODUCTION

Our Philosophy

As a leader in the industry, Aritzia recognizes that our long-term success is interwoven with our responsibility to accelerate our Environmental, Social and Governance (ESG) commitments and performance, prioritizing people and the planet. We've built our business on responsibly designing quality products that endure well beyond one or two seasons — but we can do more. In order to deliver Everyday Luxury, today and tomorrow, we must continue to strengthen our environmental and social contributions and increase the positive impact we have across our operations and wider value chain.



Key Achievements in Fiscal 2021

- Evaluated all our tier 1 suppliers against Aritzia's social and environmental criteria through our Social Impact Monitoring Program and the Higg Facilities Environment Module (FEM) to ensure alignment with business requirements
- Adopted more sustainable fabrics across 40% of our SS21 collection. This means they either meet a sustainable standard (such as organic, recycled and animal welfare), or the materials are sourced through responsible forestry or farming practices.
- Became operationally carbon neutral through the purchase of renewable energy credits for our electricity usage and verified carbon standard certified offsets for our fleet vehicles' gas and natural gas consumption, accounting for our scope 1 and 2 greenhouse gas emissions
- Completed our first CDP Climate Change submission (TCFD-aligned)
- Became participants of the United Nations Global Compact (UNGC), demonstrating Aritzia's commitment to: human rights, labour, environment and anti-corruption
- Ensured financial continuity for our People who were impacted by boutique closures through the COVID-19 pandemic and paid $25M through the Aritzia Community™ Relief Fund
- Conducted Aritzia's inaugural Diversity, Equity & Inclusion (DE&I) employee survey and committed a $1M investment toward developing our DE&I strategy, which included the formation of an Executive Diversity & Inclusion Committee, led by our President and Chief Operating Officer
- Delivered the Aritzia Community™ Care Program to support COVID-19 frontline healthcare heroes in Canada and the US

For more details on our programs and achievements, please review our Sustainability, Community and DE&I sections on aritzia.com

Our Approach

Aritzia's material ESG risks and priorities are distributed across our value chain — from raw material sourcing to third-party manufacturing suppliers to product use and end-of-life impact. Our impact also extends across our operations — from our boutiques to Support Offices and Distribution Centres.

To make meaningful change, we've taken an evidence-based approach with a focus on driving long-term impact. We've taken the following steps to inform our ESG strategy and help understand our impact:

1. Conducted a materiality analysis across our value chain, using frameworks such as SASB's Apparel, Accessories and Footwear Standard, UN Sustainable Development Goals, UN Global Compact, and TCFD
2. Identified opportunities for improvements, both short and long term, through a detailed Environmental Organizational Life Cycle Assessment (O-LCA), a labour rights assessment of our global supply chain and regular Aritzia Asks employee engagement surveys for our People, among other approaches
3. Based on our material findings and other ESG assessments tools, we identified key priority areas to take action on
4. Built a roadmap for the future that addresses our identified priority actions and aligns with our business



ESG CORE PRINCIPLES

Governance

Aritzia's President and COO, Jennifer Wong, oversees ESG activities and is responsible for Aritzia's ESG performance. Members of the Board of Directors with ESG expertise and experience support and guide Aritzia's Leadership Team in managing our ESG risks. In early 2021, the Board approved the formation of a Board Committee to focus on Environment and Social matters, which is currently in development. Corporate Governance, Internal Control, and Risk Management matters are covered by already established Compensation and Nomination Committee, and the Audit Committee.

Leadership of and accountability for ESG priorities is shared across a number of departments, including Sustainability, People & Culture, Employee Experience and Corporate Giving. Aritzia has various programs and policies in place to support the implementation of our ESG priorities, which include but are not limited to our Code of Conduct, Whistleblower Policy, Harassment and Discrimination Policy, Supplier Code of Conduct and Corporate Environmental Policy.



Strategy

To inform the development of our ESG priorities, Aritzia partnered with Anthesis, a leading global consultancy, to conduct a materiality assessment using leading and comprehensive data sets, such as RiskHorizon™. Anthesis also helped us navigate an Organizational Lifecycle Assessment (O-LCA) to quantify our carbon emissions, water consumption and waste generation across our value chain. Additionally, we gathered information through our annual Aritzia Asks Employee Engagement Survey as well as Aritzia's supplier labour rights and environmental performance, which allowed us to prioritize our material impacts and opportunities.

To date, our strategy has been anchored by the results of our materiality assessment and driven by our identified ESG priorities.



Progress in FY2021

People

PRIORITIES

We're committed to the success of the people who make us who we are through our promise to continuously invest time and resources toward employee Wellbeing, Growth & Development and Diversity, Equity & Inclusion.

KEY PERFORMANCE HIGHLIGHTS

Our commitment to our people wherever they work across our value chain continues. This year demonstrated the important role and responsibility we have to their success across our business.

Wellbeing

Over the past year, we've prioritized the health and safety of all our People, clients and communities with industry-leading measures across all of our workplaces. Given this year's challenges for both physical and mental health, we invested in programs to support the wellbeing of our People. This included extending designated mental health resources, such as a complimentary subscription to Headspace (a mindfulness app) for all employees, enhanced access to our Employee Assistance Program through our benefits program and opportunities for learning and development. Furthermore, to support our external communities across North America, we launched the Aritzia Community™ Care Program and gifted custom clothing packages to 100,000 frontline healthcare workers to help them meet hospital health and safety protocols during COVID-19 – equivalent to $10 million in retail value.

The Aritzia Community™ Relief Fund was established to support our People who were directly or indirectly impacted by boutique closures throughout the pandemic. The fund raised $25M, which was distributed to ensure financial continuity for all our teams, partners and families as we continued to reopen our boutiques. The Aritzia Community™ Relief Fund, in combination with government payroll subsidy support provided stability and prevented any employee layoffs due to COVID-19.



Growth & Development

We continued to invest in the future as part of our People & Culture strategy. Aritzia's team has evolved over the past fiscal year to support our growth, including significant new job creation across all business divisions and especially prioritizing key growth areas of Product and Technology. We've identified opportunities for our Product, eCommerce, Marketing, Technology, and Data and Analytics teams and continue to source and attract world-class talent.

Diversity, Equity & Inclusion (DE&I)

As part of our commitment to deepen our understanding of our DE&I responsibilities, Aritzia invested $1M toward strengthening our DE&I Program and established an Executive Diversity and Inclusion Committee, which is led by our President and COO. We conducted a company-wide Diversity and Inclusion Survey for our People to provide their thoughts and anonymous feedback and shared the outcomes company wide– as well as our plans for continued, meaningful change.

This year, Aritzia's Corporate Giving highlights have aligned with our DE&I priorities. We gifted more than 1,000 Super Puffs to partner organizations for distribution to women and girls in need across Canada, donated $100,000 to Black Lives Matter and contributed to the National Association for the Advancement of Colored People (NAACP) to honour the life of George Floyd. We also became the founding sponsor of the first CJF-CBC RADIO-CANADA Black Women's Journalism Fellowship. To date, Aritzia has contributed more than $32 million in product donations, financial support and volunteer hours.

Wellbeing, Growth & Development and Diversity, Equity & Inclusion in our Supply Chain

As our teams navigated this challenging year, we've prioritized our commitment to our suppliers and the people in our supply chain. Recognizing the impact of COVID-19 on global supply chains, we formally endorsed the principles and actions outlined in the International Labour Organization's (ILO) global call-to-action. This includes a commitment to pay for finished goods, not cancelling any orders already in production, the promotion of health and safety standards and emphasizing social protection for workers. In spite of the challenges posed by COVID-19, we've continued to assess 100% of our new suppliers against labour standards and our Supplier Code of Conduct, using independent monitoring. In some instances, we've conducted assessments remotely due to regionally specific COVID-19 restrictions and to best protect people working in our supply chain. We've further supported our suppliers with specific training based on their needs and ongoing engagement to monitor the impacts of COVID-19 on their business practices and employees.



Metrics and Key Performance Indicators

PEOPLE Growth & Development / Wellbeing / Diversity, Equity & Inclusion	
ESG PRIORITY	KEY PERFORMANCE INDICATORS
Attract, develop and retain a high performing team of world-class talent	· Participation rate and results of the Aritzia Asks Employee Engagement Survey (Growth & Development) · Tenure of our People including our leadership team (Growth & Development) · Diversity of our people, our leadership teams and Board gender representation (DE&I)
Deliver positive social impact through our products and supply chain	· Workplace Standards performance (i.e.: employment standards, health and safety) of factories (Growth & Development) · Number of training courses completed by suppliers to build workplace standards performance capacity and capability (Growth & Development) · Number of suppliers where workers have access to a grievance mechanism (Growth & Development)

Planet

PRIORITIES

We're committed to the protection and restoration of our planet through our promise to reduce our impact on Climate, Water and Biodiversity.

KEY PERFORMANCE HIGHLIGHTS

As part of formalizing our commitment to protecting the environment, we established and published our board-approved Environmental Policy. The policy outlines our standards and requirements for managing our climate, water and biodiversity impacts across our value chain.

Climate

This year, Aritzia became operationally carbon neutral. We achieved this by sourcing 100% renewable electricity through purchasing renewable energy credits across Canada and the US, equivalent to our electricity consumption. By offsetting our direct emissions from our facilities and fleet vehicles through purchasing VCS-certified carbon offsets, we actively contribute to reforestation in British Columbia, Canada. While we've started at home with this initiative, we understand that a large proportion of our climate impact and emissions lie upstream from our direct operations and will continue to strengthen our efforts in these areas.



Biodiversity

Aware of our reliance on forests and packaging impacts on waste streams, Aritzia has prioritized making more sustainable packaging. In 2018 we redesigned a small eCommerce mailer to be made with up to 70% recycled material, which minimizes our packaging for small orders and thus reduces our impact on forests and waste streams. In 2020, we went further and made the Canopy Pack4Good Commitment to ensure paper-based packaging does not include fibres from ancient or endangered forests. Further, we've promised to exclusively source Forest Stewardship Council (FSC) certified or recycled content paper packaging by 2022. We're making encouraging progress – all of our future boxes, tissue paper, eCommerce and retail bags will contain either FSC or recycled paper.

To more effectively manage operational waste generated at our Vancouver Support Office, Aritzia formed a partnership with the Binners' Project in 2020. The Binners' Project is a group of informal recycling collectors dedicated to social inclusion, economic development and waste diversion. This partnership helps us meet our goal of increasing waste diversion from landfills, while simultaneously supporting positive change in the communities where we work.



Climate, Water and Biodiversity in Product

We've continued to invest in our product supply chain to reduce and mitigate the impact of our products across our material and manufacturing footprint, as evident in our adoption of sustainable raw materials in our products. As part of our FW20 collection, we were delighted to launch our most sustainable Super Puff – The Super (Re)Puff™. This innovative jacket incorporated the use of low emission materials, including ECONYL®, regenerated nylon from fishnets and other recycled materials – and also used Re:Down®, recycled down, as a filler.

Additionally, we launched our most sustainable Denim Forum collection that uses innovative technology to reduce carbon, water and chemical impacts.

Furthermore, we've continued ongoing supplier engagement, which supports our suppliers to improve their environmental performance. In calendar year 2020, all our apparel tier 1 suppliers, strategic accessories suppliers and strategic fabric mills with a focus on water processing completed a Higg Facility Environmental Module (FEM) assessment. Thanks to the success of this approach, we continue to deploy Higg FEM across our supply chain annually, establishing targets for impact reductions with a focus on GHG emissions, water consumption and chemical management.



Metrics and Key Performance Indicators

PLANET Climate / Biodiversity / Water	
ESG PRIORITY	KEY PERFORMANCE INDICATORS
Drive sustainable practices and solutions across product lifecycle	· Rate of adoption of more sustainable raw materials in our products e.g. organic cotton and recycled polyester (Climate, Biodiversity, Water) · Higg FEM completion and verification rate, as well as performance score of tier 1 and tier 2 suppliers (Climate, Biodiversity, Water) · End of life destination (donation, recycling and diversion from landfills) of product by unit numbers and weights (Climate, Biodiversity)
Build sustainable and efficient infrastructure across our boutiques, cafes, SOs, DCs and logistics	· Energy consumption and resultant emissions of boutiques, cafes, SOs and DCs; emissions from business travel of employees; emissions from transport and distribution of product (Climate) · Waste diversion rate across our boutiques, cafes, SOs and DCs (Climate, Biodiversity) · Adoption of more sustainable raw materials in packaging materials (i.e. post-consumer waste recycled material, FSC certified paper materials) (Climate, Biodiversity, Water)

Risk Management

Our materiality assessment highlighted ESG priorities across our direct operations and our supply chain. We'll continue to identify and monitor relevant risks and compliance expectations through our ongoing assessments and programs. Our ESG risks are incorporated into our wider Enterprise Risk Management processes and tools. This ensures alignment of approaches and our ability to escalate and mitigate material ESG risks as necessary. See "Enterprise Risk Management (ERM): Navigating The Risk Landscape" section in the Aritzia FY 2021 Annual Information Form (AIF) for details of our key ESG risks.

Disclosure and Reporting

We've started to increase our ESG disclosure through the completion of Aritzia's first CDP Climate Change report and by joining the UN Global Compact. As an industry leader, we can make a difference and are committed to accelerating our ESG commitments and performance.

We'll continue to transparently share information as we continue to navigate this journey.

For details of our priorities and performance, please visit:

https://www.aritzia.com/en/aritzia/corporate-responsibility/sustainability.html





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