



lululemon

Impact Report 2023

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About Our Report

In this report, we outline our progress against publicly stated goals as well as our initiatives and performance data related to environmental, social, and governance (ESG) topics across the three pillars of our Impact Agenda—Be Human, Be Well, and Be Planet.

In this report, lululemon athletica inc. (together with its subsidiaries) is referred to as "lululemon," "our Company," "we," "us," or "our." This report covers global business activities and performance for our direct operations (including offices, retail locations, e-commerce, [Guest Education Centres](#), owned and operated [distribution centres](#)), and supply chain (including contracted manufacturing suppliers, transportation, and logistics). When referring to external organizations in this report, it is our practice to defer to the language they use to describe their work.

We're reporting for the fiscal year ending January 28, 2024 (referred to throughout this report as "2023"), unless otherwise noted. Except for greenhouse gas (GHG) emissions data in the [Supplement](#), this report does not include information on lululemon Studio (formerly MIRROR) which represents an insignificant portion of our business.¹

Our report includes disclosures from the [Sustainable Accounting Standards Board \(SASB\) Apparel, Accessories & Footwear Standard](#), the [Task Force on Climate-related Financial Disclosures \(TCFD\)](#), and the [Global Reporting Initiative \(GRI\)](#). See the [Supplement](#) for details.

ESG-related disclosures, particularly those related to climate change, contain inherent limitations due to the nature and methods used to determine non-financial information. We continue to monitor evolving measurement methodologies and datasets to support accurate, complete, and timely reporting. As a result, we anticipate updating our measurement methodologies over time.

Changes in our methodologies may lead to updated calculations for our current and previous reporting periods, including our baseline. Current methodologies, estimates, and other assumptions are based on information available during the current reporting period. We have developed baseline reporting policies and procedures to evaluate the significance of any changes and determine if restatements and recalculations are required. Where data has been restated throughout the report, we have addressed the nature and significance of the changes. All information in this report is current only as of the date originally presented. For more information, see [Forward-looking Statements](#).

In 2023, we obtained [limited assurance](#) from a third party on [Scope 1](#) and [Scope 2](#) GHG emissions, and [Scope 3](#) emissions from business travel.² We continue to review and improve our data collection, validation, and reporting practices in anticipation of expanded assurance and regulatory requirements in the future.

¹ In 2022, we shifted our lululemon Studio strategy to focus on providing digital app-based services. We ceased selling the MIRROR in the fourth quarter of 2023. More information is available in our [Form 10-K](#).

² We align with the [GHG Protocol](#) definition for Scope 3 Category 6 business travel, which includes emissions from the transportation of employees for business-related activities (and excludes emissions from transportation of employees to and from work, which are accounted for in Category 7).

A Note from Our CEO

In 2020, we began a journey to formalize our efforts and set goals that we believe support the wellbeing of people and our planet, and created our Impact Agenda.

To make progress toward these goals requires leadership, accountability, and clarity of our role. At lululemon, these attributes are foundational to our purpose to elevate human potential by helping people feel their best.

We are committed to evolving and remaining agile in light of the changing macroenvironment, maintaining our focus on innovation and technology, and continuing to work collaboratively on social issues and diversity, equity, and inclusion.

We firmly believe that our Company is responsible for exploring and implementing real and tangible strategies and solutions, both within and across our collective. With determination and optimism, we are further embedding impact into our daily work and culture, integrating our people and planet efforts in our global policies and operations, and strengthening partnerships focused on wellbeing.

We communicate our goals, work, and what we have achieved in this report each year because we are committed to making progress, and for you to understand the continued impact we want to make on the world.

Each year we take time to assess our progress against the goals we set forth through our strategic pillars of Be Human, Be Well, and Be Planet. For 2023, in many cases, we have achieved and even exceeded our goals. In others, we are continuing our work to reach our targets.

As part of our Be Human efforts, we are proud to have surpassed our goal for racial diversity of employees below assistant manager level within our stores in Australia, Europe, New Zealand, and North America.

Under our Be Well pillar, we established a new portfolio through the lululemon Centre for Social Impact, designed to invest in and

support global organizations enabling solutions at the intersection of wellbeing and the environment.

Our Be Planet pillar outlines the vision, goals, and targets that guide our climate impact actions and investments, including 2030 climate targets and a 2050 net-zero goal, all of which are externally validated. Among our environment-focused initiatives, our partnership with materials innovator Samsara Eco resulted in one of the world's first enzymatically recycled nylon 6,6 products as a proof-of-concept, marking a key milestone in textile-to-textile recycling.

We are facing turbulent and unsettled socioeconomic and political environments. The complexities of many issues require serious and often difficult conversations, and we are committed to incorporating our learnings along the way. We know this is part of our ongoing journey, and that we will continue to face expected and unexpected hurdles.

Across our industry, we increasingly recognize the interconnectedness of issues and the power of collaboration. To raise the efficacy of our solutions, lululemon and our industry will need to focus our shared efforts on areas that can accelerate progress and address barriers at scale.

We are proud of the many achievements in this report, which I invite you to review. I am so appreciative of the many people whose work is reflected on the following pages, and for their dedication and transformational work. Together, we are ready and excited to evolve and elevate the next phases of our Impact Agenda.

Sincerely,



Calvin McDonald
Chief Executive Officer



Notes from Our Impact Leaders



Esther Speck
Senior Vice President,
Sustainable Business and
Impact

Our foundational belief is that by unlocking human potential, we create opportunities to scale positive impact. Rooted in this belief, we shared our Impact Agenda four years ago to build on our efforts to advance meaningful action in the face of pressing societal challenges across our business, industry, and communities.

In our Impact Agenda, we set ambitious and considered goals to accelerate our progress on company-wide environmental and social initiatives. Whether it's converting to preferred materials, working with our suppliers, or delivering access to wellbeing tools and resources, we are on a journey to build our foundations for scale.

In a year with ongoing global issues, we are embracing an interconnected approach to affect meaningful change. We remain committed.

We are making strides on both global and local levels. We continue to advance equity in wellbeing through movement, mindfulness, and connection. Through the [lululemon Centre for Social Impact](#), we are on schedule to reach 10 million people with wellbeing tools and resources by 2025.

Our responsible supply chain work is core to wellbeing and we continue to uphold robust standards. This year we completed the third of four milestones to reach [Fair Labor Association](#) accreditation and reached 23,000 makers through wellbeing projects.

We continue to advance work against our science-based climate targets. In 2023, our strategy supported us in achieving a 31 percent carbon intensity reduction from our baseline. We recognize global and industry-level challenges, and have joined new partnerships including the [Asia Clean Energy Coalition](#) (ACEC) and the [Clean Energy Buyer's Association](#) (CEBA) to amplify our voice and help strategically shift access to cleaner energy options.

I am inspired by and grateful to our global teams and collaborators that advance this work each day with passion, creativity, and determination. We are proud of how far we've come and will continue to learn, listen, and act, and embrace the path ahead with focus and optimism. Thank you for engaging and learning with us as we share our progress towards building a healthier and more inclusive future.

Esther Speck



Stacia Marie Jones, Esq.
Vice President, IDEA,
Employee Relations and
Compliance

We've reached a significant moment in our journey toward inclusion, diversity, equity, and action (IDEA), and we've done so powerfully, through the passion and efforts of our leadership and our entire collective.

Executing on our strategy, we are elevating and scaling our programs, from racial and gender diversity representation to actionable allyship, and from implementing inclusive design to firmly embedding our initiatives across global markets.

Heading into 2023, we expected that we would face challenges, due to shifting local and global landscapes. Despite these challenges, we continued to advance this work due to our dedicated global team and our culture of listening and learning.

This last year represents the culmination of goals we set in 2020. Through collective action aimed at fostering behavioral change and establishing more equitable processes, we've notably increased the diversity of our teams. We exceeded our employee racial diversity goal of 40 percent for stores in Australia, Europe, New Zealand, and North America.

Although we have more work to do to achieve our 30 percent racial diversity goal for assistant managers and directors, we surpassed 30 percent racial diversity for assistant managers and individuals hired in senior roles within the past four years. As we continue to work toward our remaining targets, these are clear indicators of our strides forward.

After introducing Learning in Equity, Actioning Now (LEAN) in fall 2022, the program took flight in 2023, with employees spending over 2,000 hours in LEAN sessions designed to provide actionable education on how to be an impactful ally.

We lifted up our women, launching the Women Of Leadership program, a six-month program tailored for women navigating the complexities of their professional paths amidst diverse racial, cultural, and ethnic nuances.

We are continuing our journey with resolve, creativity, and optimism. As our programs mature and scale, we are excited by our momentum to realize our vision for IDEA and to continue shaping an ever more inclusive lululemon.

Stacia Marie Jones

Who We Are

Established in 1998, lululemon is primarily a designer, distributor, and retailer of technical athletic apparel, footwear, and accessories.

We develop innovative products and services for our varied markets, and support people, communities, and our partners in creating initiatives for a healthy and inclusive future.

lululemon by the numbers in 2023:

56

net-new company-operated stores

25+

markets where we operate

711

company-operated stores

300,000+

makers³ employed by our suppliers

~38,000

employees globally

Our Company Strategy

Our company strategy is rooted in the Power of Three $\times 2$ and our Impact Agenda, creating a comprehensive roadmap for the future. The Power of Three $\times 2$ sets the critical priorities for the growth of our business, leveraging our past accomplishments. The Impact Agenda outlines our company-wide goals to accelerate key social and environmental targets and objectives.

Our Vision

We create transformative products and experiences that build meaningful connections, unlocking greater possibility and wellbeing for all.

Our Purpose

We elevate human potential by helping people feel their best.

Growth Strategy: Power of Three $\times 2^4$



Product Innovation
Double Men's Revenue



Guest Experience
Double Digital Revenue



Market Expansion
Quadruple International Revenue

Impact Agenda



Be Human
Our vision: Support our people to succeed by creating an environment that is equitable and inclusive, and that fosters growth.



Be Well
Our vision: Help our communities thrive by contributing to conditions that support physical, mental, and social wellbeing.



Be Planet
Our vision: Minimize our environmental impact to contribute to a future where nature and people can thrive.

Impact Agenda

Our Impact Agenda is designed to drive environmental and social action, and support innovation and business resilience. It guides—and is integrated into—our company strategy and operations. Fundamental to our approach is our understanding that individual, community, and planet wellbeing are all linked. To reflect this, our Impact Agenda has three interconnected pillars: Be Human, Be Well, and Be Planet. Each pillar includes a vision, focus areas, goals, and commitments.

Our Focus Areas

We take seriously our responsibility to advance positive change. We believe we can best do so when we understand both the global sustainability context and the landscape of our industry and business, including the social and environmental topics (material topics) that are most important to our business, society, and the environment.

We map each material topic to focus areas within our Impact Agenda and relevant sections of our Impact Report. We also align our Impact pillars with relevant United Nations Sustainable Development Goals (SDGs). To read more about our materiality process, see the Supplement.

Our guiding principles to advance our focus areas include:

- Taking a science-informed approach to our work, where applicable
- Creating a culture of impact and embedding accountability for goals and values within key business functions
- Collaborating within and beyond our industry to contribute to platforms and innovation that can advance change at scale
- Inspiring and engaging our collective through shared expectations, education, and activation opportunities
- Advocating for thoughtful systems change through collaboration and select policy engagement



Be Human

- Inclusion, diversity, equity, and action
- Employee empowerment
- Fair labor practices and the wellbeing of people who make our products

SDGs supported

- ⌚ 5 Gender Equality
- 📊 8 Decent Work and Economic Growth
- 打交 10 Reduced Inequalities

Be Well

- Equitable access to wellbeing tools and resources

SDGs supported

- ↗ 3 Good Health and Wellbeing
- ⌚ 5 Gender Equality
- 打交 10 Reduced Inequalities

Be Planet

- Climate action
- Product and material innovation
- Circularity and new guest models
- Water and chemistry
- Packaging and waste

SDGs supported

- ⌚ 7 Affordable and Clean Energy
- ♾ 12 Responsible Consumption and Production
- ⌚ 13 Climate Action

Impact Governance

To drive progress against our impact ambitions, we have a multi-level governance structure that brings together business leaders across lululemon. Our governance structure is designed to build clear cross-functional accountabilities and advance company-wide strategies and practices to embed impact across the organization.

We monitor performance through mechanisms such as key performance indicators; quarterly updates on our goal progress shared with our Executive Impact Council, Corporate Responsibility, Sustainability, and Governance Committee, and our CEO; and other internal and external tools.

Group

Board of Directors

Responsibilities

Reviews and approves strategic and annual operating plans, including resource allocation and investment decisions. Oversees environmental, social, and governance (ESG) management with delegation to specific committees.

Audit Committee

Oversees enterprise financial reporting and controls, including ESG-related disclosures within the financial reporting framework and compliance risks to our business and supply chain.

Corporate Responsibility, Sustainability, and Governance Committee

Reviews and evaluates strategies, policies, programs, practices, and public reporting related to corporate responsibility, environmental sustainability, human rights, social impact, and philanthropy issues to support sustainability and responsible growth.

People, Culture, and Compensation Committee

Oversees overall compensation philosophy and policies, including benefits and incentives plans, as well as employee agreements, talent management, succession planning, diversity and inclusion, and related activities.

CEO

Sets corporate direction and strategy. Approves Impact Agenda, including multi-year planning and integration into company strategy.

Executive Impact Council

Consists of executive leadership representatives from Finance, Supply Chain, Product and Brand, Legal and Compliance, and People and Culture. Chaired by SVP, Sustainable Business and Impact. Oversees and executes our Impact Agenda and related strategies, policies, and implementation plans.

Functions that engage on ESG topics.

Sustainable Business and Impact

Sets enterprise Impact Agenda, goals, and commitments; delivers subject matter expertise and key programs; facilitates progress tracking and reporting; oversees the lululemon Centre for Social Impact. Works cross-functionally to operationalize end-to-end and deliver progress. Led by SVP, Sustainable Business and Impact.

Inclusion, Diversity, Equity, and Action (IDEA)

Sets enterprise goals and supports a culture of inclusion, diversity, and equity across the organization. Oversees People Networks and task forces for locations and specific business functions. Led by VP, IDEA, Employee Relations and Compliance.

Other Business Functions and Teams

Implement targets, policies, procedures, programs, practices, and reporting. Includes Finance, Supply Chain, Product and Brand, Legal and Compliance, People and Culture, Risk, Sourcing, Production, Merchandising, and others.

ESG Regulatory Compliance Committees

Cross-functional working and oversight groups that track regulations, share information, and govern compliance.

Impact Committees and Councils

Steering committees and advisory councils that govern focus areas of our Impact Agenda. Examples include: IDEA Executive Steering Committee and Advisory Councils, Responsible Supply Chain Steering Committee, Centre for Social Impact Steering Committee and Advisory Board, Climate Council, and Product Sustainability Steering Committee.

Responsible Business Conduct

Ethical Conduct

Ethical conduct is the foundation for how we do business. To root integrity and respect for everyone in our company culture, we maintain a [Global Code of Business Conduct and Ethics](#)—a blueprint for responsible business that is applicable to all lululemon employees, Ambassadors, contractors, officers, and directors. Our [Vendor Code of Ethics](#) articulates expectations of our suppliers.

Human Rights

In 2023, we consolidated our human rights commitments into an overarching [Human Rights policy](#). This policy, which was published in 2024, is guided by the [United Nations Guiding Principles on Business and Human Rights \(UNGPs\)](#) and [OECD Guidelines for Multinational Enterprises](#), among others. It outlines our commitment to conducting due diligence on human rights risks across our [value chain](#). A business and human rights consulting firm provided guidance on our policy and engaged cross-functionally with internal teams and stakeholders, including civil society organizations, industry associations, and peer companies. For more information on our Human Rights approach, see [Reporting & Disclosure](#) on our website.

Data Privacy Protection

Our guests and employees trust us with their personal information, and we are committed to the protection and security of the data we use and collect.

Our Global Privacy program is administered by our Chief Legal & Compliance Officer. We also have a Security program within our Global Technology team directed by our Chief Information Officer.

These functions work closely together to advise lululemon on continually evolving laws, standards, and best practices related to data privacy and security. Both the Global Privacy and Security programs are overseen by the Audit Committee and are regularly assessed for maturity and scalability to meet the needs of our global organization. Through our privacy policies, we share how we process and protect personal data, in accordance with local privacy laws.

To manage privacy and data security risk, we assess applicable requirements that guide our global functions on the collection, use, and access of personal information. We also employ the expertise of external consultancies and law firms to track emerging privacy and security developments as well as the evolution of global privacy regulations and security standards.

Performance-related Compensation

We reward exceptional performance. Our People, Culture, & Compensation Committee sets competitive levels of compensation to attract, retain, and motivate highly qualified executive officers, senior leaders, and directors. These individuals play a pivotal role in contributing to our success and advancing our culture. We continue to consider the future role ESG metrics can play in our compensation programs.



Makers meet at a supplier facility, Vietnam.

2023 Highlights

Be Human

41% racially diverse employees in stores

We reached 41% racially diverse representation of employees below assistant manager level within our retail stores in Australia, Europe, New Zealand, and North America.⁵

#1 on KnowTheChain

For the second year in a row, we ranked #1 on the [KnowTheChain](#) benchmark for the disclosure of information on forced labor policies and practices.

2,000+ hours of employee participation in LEAN

Learning in Equity, Actioning Now (LEAN) is a program that enables all employees to actively learn about the history, experience, and impact of systemic injustices on [historically marginalized communities](#).

Be Well

7.4 million people reached through the Centre for Social Impact

Since 2021, through partnerships with charitable organizations, we have reached 7.4 million people,⁶ providing them with access to wellbeing tools and resources.

Environment x wellbeing portfolio

In 2023, the lululemon Centre for Social Impact established a new portfolio and invested US \$250,000 in support of global organizations enabling solutions at the intersection of planetary and human wellbeing.

Employee Impact Fellowship opportunity

This unique development opportunity provides employees with the ability to offer their time to a lululemon Centre for Social Impact non-profit partner for three months, and gain learnings and insights for individual and organizational growth.

Be Planet

Samsara Eco collaboration

In partnership with materials innovator [Samsara Eco](#), we unveiled one of the world's first enzymatically recycled nylon 6,6 products as a proof-of-concept, marking a key milestone in textile-to-textile recycling.

Scope 3 GHG emissions intensity reduction

We saw a 31% [emissions intensity](#) reduction relative to our baseline (2018) due to factors such as materials conversion, a decrease in inbound air freight, and changes in production volumes.⁷

Repair programs and pilots

We rolled out repair programs in the majority of our stores in China Mainland and Europe, and repair pilots in Australia and New Zealand.

⁵ This metric is tracked through voluntary demographic survey results of our employees in Australia, Europe, New Zealand, and North America.

⁶ We define "people reached" as those who receive services from our grantees or actively participate in their programming. Our progress includes maker wellbeing programs. See [Be Well](#) and [People Who Make Our Products](#) for more information.

⁷ This includes Category 1 (with the exclusion of "other purchased goods and services," which relate to non-product spend) and Category 4 emissions, as defined by the [GHG Protocol](#). For more information on Scope 3 GHG emissions, see [Climate Action](#) and [Climate Data](#).

Goal Progress

Our three Impact Agenda pillars are designed to work together. Within the pillars are goals and respective targets that drive action and progress. Annually, we report on progress toward our goals, and where we have met or not met goals. We are currently planning the next iteration of our Impact Agenda, which will include refreshed topics and updates to certain goals and targets. The updates will reflect both the significant progress we have made and goals we have met, as well as areas in which we are progressing more slowly toward our targets, as reflected in relevant sections of the report (linked in the table below).

Pillar	Focus area	Goal	Metric	Baseline year	Baseline	2023	Target	Target year
Be Human	<u>Inclusion, Diversity, Equity, and Action</u>	Reflect the diversity of communities we serve and operate in. ⁸	Percentage of racial diversity of employees below assistant manager level in stores ⁸	2020	31%	41%	40%	2023
			Percentage of racial diversity of assistant managers+ and directors+ ⁸	2020	21%	27%	30%	2023 ⁹
	<u>Employee Empowerment</u>	Be the place where people come to develop and grow as inclusive leaders for the world.	Employee empowerment is an ongoing initiative at lululemon. We focus on providing our employees with access to learning opportunities. See <u>Employee Empowerment</u> for updates on this goal.					
		Expand gender pay equity to full pay equity.	Percentage of employees with full pay equity in the United States ¹⁰	2020	100%	100%	100%	2022
	<u>People Who Make Our Products</u>	Make wellbeing programs available to makers.	Total number of makers who participate in wellbeing programs ¹¹	2021	20K	67K	100K	2025
Be Well	<u>Inclusive Access to Wellbeing and Advocacy</u>	Achieve Fair Labor Association (FLA) accreditation. ¹²	Qualitative	2020	Updated Vendor Code of Ethics	Completed Milestone 3	Accreditation	2024
		Provide access to wellbeing tools and resources.	Total number of people reached ¹³	2021	1.4M	7.4M	10M	2025
		Invest to advance equity in wellbeing through the Centre for Social Impact.	Total amount invested (in US \$)	2021	\$13.7M	\$44.8M ¹⁴	\$75M	2025
		Launch the Centre for Social Impact.	Qualitative	2021	Centre launched	-	Centre launched	2021

⁸ Metrics for this goal are tracked through voluntary demographic survey results of our employees in Australia, Europe, New Zealand, and North America.

⁹ See more about the extended timeline in Inclusion, Diversity, Equity, and Action.

¹⁰ We have achieved full pay equity, including gender and race, in the United States, which is the only country where we currently collect individually attributable race data. We also seek to maintain 100% gender pay equity within our entire global employee population, meaning equal pay for equal work across genders, by geography.

¹¹ This metric is tracked through our Vendor Grant program and is also applied toward our goal to provide wellbeing tools and resources to more than 10 million people by 2025. Data is self-reported from grant recipients. For more information, see Be Well and People Who Make Our Products.

¹² FLA's accreditation evaluation focuses on improving member companies' social compliance programs. It includes four milestones that each include requirements for companies to fulfill. The milestones include: 1. Governance and Internal Alignment, 2. Implementation and Monitoring, 3. Review and Improvement, 4. Full Implementation and Integration.

¹³ We define "people reached" as those who receive services from our grantees or actively participate in their programming. Our progress toward this goal includes maker wellbeing programs. See Be Well and People Who Make Our Products for more information.

¹⁴ We have contributed US \$44.8 million (cumulative since 2021) to the lululemon Centre for Social Impact, US \$32.4 million of which has been contributed directly to social impact organizations. The remaining US \$12.4 million primarily consists of contributions toward a donor-advised fund for future grant making.

Goal Progress (continued)

Pillar	Focus area	Goal	Metric	Baseline year	Baseline	2023	Target	Target year
Be Planet	<u>Climate Action</u>	Meet our 2030 science-based climate targets. ¹⁵	Percentage of <u>absolute reduction in GHGs</u> in all owned and operated facilities (Scope 1 and Scope 2) ¹⁶	2018	18,248 tCO ₂ e	-77%	-60%	2030
			Percentage of <u>intensity reduction in GHGs</u> in purchased goods and services, and upstream transportation and distribution (Scope 3) ¹⁷	2018	262.5 tCO ₂ e per US \$ million of gross profit from operations	-31%	-60%	2030
		Source <u>renewable electricity</u> to power our owned and operated facilities.	Percentage of renewable electricity in our owned and operated facilities	2018	<1%	100% ¹⁸	100%	2021
Product and Material Innovation	<u>Product and Material Innovation</u>	Make our products with <u>preferred materials</u> and <u>end-of-use solutions</u> . ¹⁹	Percentage of products procured containing preferred materials	2020	27%	47%	100%	2030
		Achieve preferred materials for our products.	Percentage of total preferred materials procured for our products	2020	30%	57%	75%	2025
<u>Circularity and New Guest Models</u>	<u>Circularity and New Guest Models</u>	Offer our guests new business models ²⁰ that extend the use of products.	Percentage of stores in North America ²¹	2021	21%	84%	100%	2025
<u>Water and Chemistry</u>	<u>Water and Chemistry</u>	Reduce <u>freshwater use intensity</u> with our <u>priority wet process suppliers</u> . ²²	Percentage of reduction of freshwater use intensity	2021	130 l/kg ²³	-2%	-20%	2025
		Implement <u>ZDHC Manufacturing Restricted Substances List (MRSList)</u> at priority suppliers.	Percentage of priority suppliers that have implemented ZDHC MRSList	2021	100%	100%	100%	2022
<u>Packaging and Waste</u>	<u>Packaging and Waste</u>	Reduce single-use plastic packaging per unit.	Percentage of intensity reduction of single-use plastic packaging ²⁴	2021	0.016kg/unit	+16%	-50%	2025

¹⁵ These targets are approved by the Science Based Targets initiative (SBTi), which develops standards, tools, and guidance that allow companies to set GHG emissions reductions targets. Climate data is reported on a calendar year basis.

¹⁶ The Supplement contains both market-based and location-based emissions. Our goal reflects market-based emissions.

¹⁷ In 2024, we updated our Scope 3 target as part of our target re-validation process with SBTi to include Category 1 (with the exclusion of "other purchased goods and services," which relate to non-product spend) and Category 4 emissions, as defined by the GHG Protocol. This exceeds the SBTi requirement of including at least two-thirds Scope 3 emissions. We also updated the denominator of our economic intensity target metric, which was developed using the GEVA (GHG emission per unit of value-added) methodology, from revenue to gross profit to align with the latest SBTi requirements. We have updated our baseline and prior year progress to reflect these changes as well as other methodology enhancements, including data improvements and updates to emissions factors.

¹⁸ In 2023, we procured 100% renewable electricity to power our owned and operated facilities, with 98% sourced in compliance with the RE100 technical criteria. We were unable to source renewable electricity in South Korea, due to unavailability of an Energy Attribute Certificate (EAC) program. In 2023, our Australian locations experienced a particularly warm year and used more electricity than expected. As a result, we were only able to procure renewable electricity for 98% of our Australian electricity use. Consequently, renewable energy credits were procured from nearby geographies.

¹⁹ Our footwear line was launched in 2022. We include footwear in our 2023 metrics for this goal. The comparative volume of footwear to our apparel and accessories products is small and does not impact our goal progress. To count toward this goal, products must contain at least 25% preferred materials by weight, with transparently communicated attributes defining preferred materials. Detailed performance and preferred materials attributes are shared in Product and Material Innovation.

²⁰ New business models refer to offerings for guests to extend the use of their products (e.g., initiatives related to product care, reuse, and repair) and help progress toward a circular economy.

²¹ Excludes outlets and pop-ups.

²² Water data is reported on a calendar year basis.

²³ In 2023 and early 2024, lululemon conducted 21 on-site verifications of facility-provided water data from 2021 onwards and determined that a revision to our baseline was required in line with our baseline policy to reflect the most accurate and up-to-date information. Our baseline has been updated from 134 l/kg to 130 l/kg; this change does not affect our goal or our progress in prior years.

²⁴ Our product packaging refers to total packaging used. Our non-product packaging (e.g., e-commerce, transport) refers to total packaging procured. The metrics differ as we use the best available information for each type of packaging. Data is self-reported by suppliers. This data excludes our shoppers.

A soft-focus photograph of a plant with vibrant red flowers and long, flowing green vines. The flowers are clustered at the ends of thin stems, and the vines curve elegantly across the frame. The background is a pale blue, creating a dreamlike and peaceful atmosphere.

02 Be Human

We envision a more equitable world.

- 16 Inclusion, Diversity, Equity, and Action
- 19 Employee Empowerment
- 22 People Who Make Our Products

Inclusion, Diversity, Equity, and Action

Why It Matters

Inclusion, diversity, equity, and action are fundamental for shaping and building our company, industry, and communities, and creating a shared sense of respect and belonging. This is particularly important when it comes to historically marginalized groups. Companies that listen to employees, hear what they are saying, and act accordingly are more likely to inspire a sense of belonging.²⁵

SDGs supported

- ♀ 5 Gender Equality
- ¶ 8 Decent Work and Economic Growth
- ↳ 10 Reduced Inequalities

Goal

Reflect the diversity of communities we serve and operate in.

- 40% racial diversity of employees below assistant manager level in stores by 2023

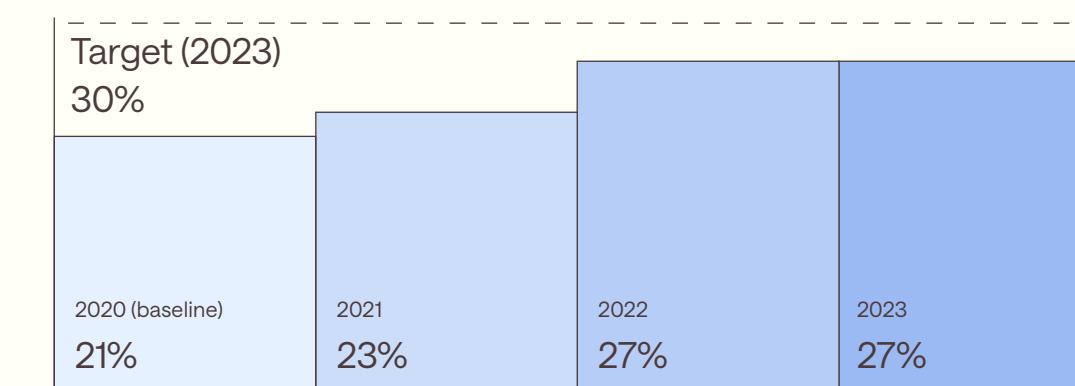
% of racial diversity of employees in stores



We met this target in 2022 and have maintained it since. In our 2023 voluntary demographic survey, 41 percent of employees below assistant manager level in stores in Australia, Europe, New Zealand, and North America reported as racially diverse.

- 30% racial diversity of assistant managers+ and directors+ by 2023

% of racial diversity of assistant managers+ and directors+



We have made progress, and also have more work to do. In our 2023 voluntary demographic survey, 27 percent of assistant managers+ and directors+ in Australia, Europe, New Zealand, and North America reported as racially diverse. While we did not reach our 30 percent target for assistant managers+ and directors+ collectively, we did have 31 percent of assistant managers reporting as racially diverse in 2023. Additionally, 34 percent of individuals hired into assistant managers+ and directors+ roles over the past four years reported as racially diverse.

While maintaining our aim to hire the most competitive candidates, we focus on equitable and inclusive hiring practices. This has contributed to an increase in diverse representation. However, lower attrition rates, along with limited open roles for higher levels of leadership, affected our ability to meet the target in 2023. To continue our progress, we have extended the target year for our goal of 30 percent racial diversity of directors+ to 2026.

What We're Doing

We aim to prioritize a culture of inclusion in which diversity is celebrated, equity is the norm, and action is the commitment. Inclusion, Diversity, Equity, and Action (IDEA) is an enterprise function that sets global IDEA goals and supports a culture of inclusion. Our IDEA strategy includes five focus areas—Listening & Advocacy, Policy & Process, Programs & Initiatives, Learning & Development, and Strategy & Partnering. We design and implement initiatives, programs, and policies that shape the culture of our organization and strive to impact stakeholders, including our employees, guests, communities, Ambassadors, makers, and suppliers.

Doing this work requires intentional pursuit at our most senior levels, with clear ownership and commitment to accountability across the business. As of 2023, we had 11 IDEA Councils, which are groups of employees from different functions, including from our Store Support Centres (SSCs), distribution centres, and Guest Education Centre, who help advance progress for their specific teams.

We remain resolute in meeting and scaling our commitments. In 2023, we focused on listening and advocacy, elevating learning and development, and evolving strategy and partnerships. Where operationally feasible, we work with other organizations to strengthen our approach and broaden our influence.

Listening and learning

We hold listening forums with employees, with a focus on historically marginalized groups. This includes 250+ hours of conversations in 2023 between our CEO, senior leaders, BIPOC employees, and People Networks to create dialogue around their unique experiences, and drive action and accountability across the organization.

We integrate inclusion, diversity, and equity into employee onboarding, training, and learning programs. To see more about our learning offerings, see Employee Empowerment. Our offerings include IDEA Toolkits that help our teams increase awareness and knowledge of key concepts such as privilege and unconscious bias. In 2023, we published three new toolkits on Supplier Inclusion & Diversity, Gender Inclusion, and Navigating Privilege & Ambiguity.

Inclusive and equitable design

We strive to use inclusive and equitable design across our business, including future physical and digital workspaces, creation of employment policies and programs, marketing, and delivery of product and guest interactions. Our third annual 14-week Inclusive and Equitable Design (I&ED) Certification program enrolled 200+ participants in 2023 (up from 70+ people in 2022). The program helps team members apply I&ED principles to their work, mitigating common design errors that create barriers for accessibility.

Supporting and uplifting our people

A key component of IDEA is fostering an inclusive culture, in which we welcome people from all backgrounds and support them in developing their careers. We prioritize programming and initiatives that address structural and systemic barriers. Examples of our 2023 programs include:

- **Learning in Equity, Actioning Now (LEAN):** Open to all employees, LEAN is designed to help people actively learn about the history, experience, and impact of systemic injustices on historically marginalized communities. In 2023, employees spent over 2,000 hours engaging in LEAN sessions.
- **IDEA Global Internship program:** For the third year, we hosted a 12-week full-time, paid internship. This program is open to all employees, and we encourage applications from people who identify as part of an underrepresented group. In 2023, we had the largest cohort to date, with over 50 interns from around the world. Eighty-three percent of interns were from underrepresented groups.
- **People Networks (PNs):** PNs create spaces and support for employees who have historically marginalized identities as well as allies (as determined by each network). In 2023, we launched our 11th PN, dedicated to Middle Eastern and North African employees. We also have the following PNs: Asian; Black; Chronic Illness, Mental Health & Disabilities; Indigenous; Jewish; Latine; LGBTQ2IA+; Size Inclusivity; South Asian; and Women.

- **Women Of Leadership:** In 2023, we launched the Women Of Leadership program, a six-month course tailored for women navigating the complexities of their professional paths amidst diverse racial, cultural, and ethnic nuances. More than 40 leaders comprised the inaugural cohort, and took part in coaching, mentorship sessions, and virtual development opportunities. In total, more than 150 women from our SSC and retail operations took part in various Women Of initiatives.



Employees and members of the LGBTQ2IA+ People Network march at a Pride parade, Canada.

Diverse representation

We recognize that diversity and inclusion can take on different meanings depending on the location or country, so we continue to work on evolving our initiatives to better serve each community. We use an annual, voluntary regional employee survey called the Demographic Survey + Inclusion Index,²⁶ which helps us understand the demographics of our employee base. It also provides us with access to tangible metrics about our employees' sense of inclusion and belonging, which helps us focus our engagement and inclusion efforts.

Race/ethnicity

See [page 16](#) for more information.

Gender

In 2023, women made up approximately 50 percent of our Board of Directors (our Board Chair is a woman), 70 percent of our Executive Leadership team, 50 percent of our Vice Presidents and above, and 75 percent of our overall workforce.²⁷

See the [GRI Content Index](#) for more information on diverse representation.

Equitable solutions

In 2023, we continued to review lululemon policies and practices through an integrated and inclusive lens. This helps us evolve, eliminate, or develop policies and practices to align with our values and support a positive and equitable work experience. For example, we enhanced equitable hiring practices, including standardized hiring tools and resources to support bias mitigation and equitable candidate selection.

Inclusion and diversity in our non-product supply chain

We are committed to equitable and inclusive business practices with our non-product suppliers. Our strategy is designed to increase equity within non-product procurement practices, foster the growth of diverse suppliers, support community resilience, and enhance diverse representation in our non-product supply chain.

In January 2023, we launched our Supplier Inclusion & Diversity program in the United States. We focus on engaging third-party certified businesses that are 51 percent or more owned, operated, and controlled by persons belonging to underrepresented communities (e.g., racial minorities, women, people with disabilities, those who identify as LGBTQ2IA+, US veterans). We recognize that underrepresented communities vary by geographic region, and this variability will be a key consideration as we work to expand the program into global markets.

To increase visibility among diverse suppliers, we partner with supplier diversity advocacy organizations; actively take part in procurement conferences, networking events, and best practice sessions to advance our program; and engage with industry peers and diverse businesses in the community.

As part of our efforts to develop a more inclusive supply chain, we plan to introduce a new initiative for non-diverse suppliers, which will focus on supplier diversity data collection.

See more on the [Supplier Inclusion & Diversity](#) page of our website.



lululemon employees at a distribution centre in Canada.

²⁶ The voluntary demographic survey results presented in this section relate to our employees in Australia, Europe, New Zealand, and North America.

²⁷ While we track male and female genders, we acknowledge this does not fully encompass all gender identities.

Employee Empowerment

Why It Matters

lululemon aims to be a place where people come to grow and develop as inclusive leaders. By empowering employees through leadership and development opportunities, impact engagement experiences, and competitive benefits, we are investing in their personal and professional growth and working to support their mental health and wellbeing. Developing our people helps us innovate, achieve business growth, stay resilient to change, and fulfill our brand purpose of elevating human potential.

SDGs supported

- ♀ 5 Gender Equality
- ⌘ 8 Decent Work and Economic Growth

Goal

Expand gender pay equity to full pay equity.

- 100% of employees with full pay equity in the United States by 2022

While we set this goal in 2020, we have since reviewed historical data and determined we have been achieving full pay equity in the United States since 2018. We continue to maintain full pay equity, including gender and race, in the United States, which is the only country where we currently collect individually attributable race data.

We also seek to maintain 100 percent gender pay equity within our entire global employee population, meaning equal pay for equal work across genders, by geography.



What We're Doing

We focus on providing our employees with equitable pay, an inclusive workplace, wellbeing support, and access to personal and professional opportunities. Through employee development and support programs, and competitive compensation and benefits packages, we aim for employees to feel respected, valued, and able to express their potential.

A culture of learning

We believe people, teams, and the entire organization run better when we invest in each other's growth. We work to provide people with skills and experiences inside and outside of lululemon. Our development offerings serve three purposes: support employees with their personal growth, strengthen their skills in their current role, and fuel their career progression.

In 2020, we communicated a public goal to be the place where people come to develop and grow as inclusive leaders, with the intention to report on a quantitative target. While we have previously reported quantitative progress, we are shifting to qualitative reporting due to challenges in collecting global data in a comparable way. In parallel, we are working toward advancing our global data processes and technology solutions to best capture training and development data.

We offer many types of learning experiences that are accessible to all full-time, part-time, and fixed-term employees. Below are a few of our offerings:

- **Purpose, Vision, and Goals (PVG) program:** Through our PVG program, employees are given paid time to explore a six-module learning experience to help declare their personal purpose, articulate a guiding life vision, and form goals that are congruent with those ambitions. In 2023, we expanded the PVG program to include a self-guided online learning experience. We also translated it into all operating languages so that even more of our full-time, part-time, and fixed-term employees are able to participate.
- **Leadership development:** We offer leadership development through:

- **Leader Series:** As part of their onboarding, all people leaders are enrolled in our Leader Series program, to support them in fostering connected teams.
- **Professional one-to-one internal coaching program:** This is available to all employees. In 2023, we trained more than 200 coaches as internal resources for employees at all levels and offered more than 7,500 sessions, including on-demand courses, executive coaching, and long-term one-to-one programming.
- **Mentorship program:** In 2023, nearly 500 mentees and mentors signed up for this program. This initiative supports career exploration, development, and progression.
- **Learning opportunities:** All employees have access to lululemonU, an online learning portal. We have also invested in LinkedIn Learning to provide quality learning opportunities. In 2023, we tracked over 50,000 hours in elective learning through these platforms.

Employee empowerment and inclusive leadership are fundamental to our core values, and we are proud to support our employees on their unique journeys of growth. See more about our continued commitment to providing opportunities for employees, and our progress on supporting their growth and development, in the following sections, and in [IDEA](#).



Members of lululemon leadership team address attendees at internal leadership summit.

Employee wellbeing

We provide a range of benefits to cultivate the overall wellbeing of our employees. These may include health and dental, retirement savings plans, and an employee share purchase plan. We also offer all eligible global employees competitive paid time off and sick leave, including up to six months of paid parental leave. Our Sweaty Pursuits benefit provides both part-time and full-time employees with monthly allowances to participate in fitness activities.

Mental wellbeing resources and support include access to an Employee Assistance Program, coaching, a mental wellbeing toolkit, critical incidence support, and mental health training. lululemonCARE is a program currently available to all people leaders and North American SSC employees, and includes instructor-led modules designed to increase awareness, reduce stigma, and facilitate access to resources for mental health.

Store compensation

We aim to be in the top quartile of global retailers for store compensation. We provide competitive hourly wages as well as a team-based bonus program, depending on store-based goals and results achieved. Competitive compensation improves our ability to attract and retain talent to maintain a best-in-class store experience for our guests.

For details on pay equity, see [page 19](#).

Impact Fellows and SSC employees

The Impact Fellowship is an annual employee development program that connects employees with non-profit partners supported by the lululemon Centre for Social Impact (see [Be Well](#)). Employees selected as Fellows retain their lululemon employment status while taking on a temporary three-month role with a non-profit organization, matched to the skillsets and experience the organization requires.

In 2023, six lululemon Impact Fellows worked with organizations such as [Movember](#), the [National Alliance on Mental Illness \(NAMI\)](#), and [Yoga of 12-Step Recovery \(Y12SR\)](#). Employees were able to offer and develop their skills while receiving their full salaries. Each organization received a stipend to support their impact project.

Deed

Deed is an online giving and volunteering platform where employees can donate directly to lululemon non-profit partners, nominate new organizations for partnerships, find volunteer opportunities, participate in impact events, and join People Network communities as members or allies. In 2023, we scaled our Deed offering to most of our global employees, with the exception of regions where we cannot yet extend the technology. In 2023, approximately 40 percent of our eligible employees participated on the Deed platform.

We Stand Together Fund

Our We Stand Together Fund supports employees and their family members experiencing financial or personal hardship, or other challenges such as natural disasters or humanitarian issues. Since the fund began in 2020, over 1,000 employees have been awarded approximately US \$780,000. The fund's balance continues to support beneficiaries when hardships arise.



Impact Fellows and SSC employees on a Takaya cultural tour in Canada.

People Who Make Our Products

Why It Matters

Every person has the right to safe and healthy working conditions. A strong, resilient supply chain is critical to the success of the apparel industry and key to a more equitable future for all.

SDGs supported

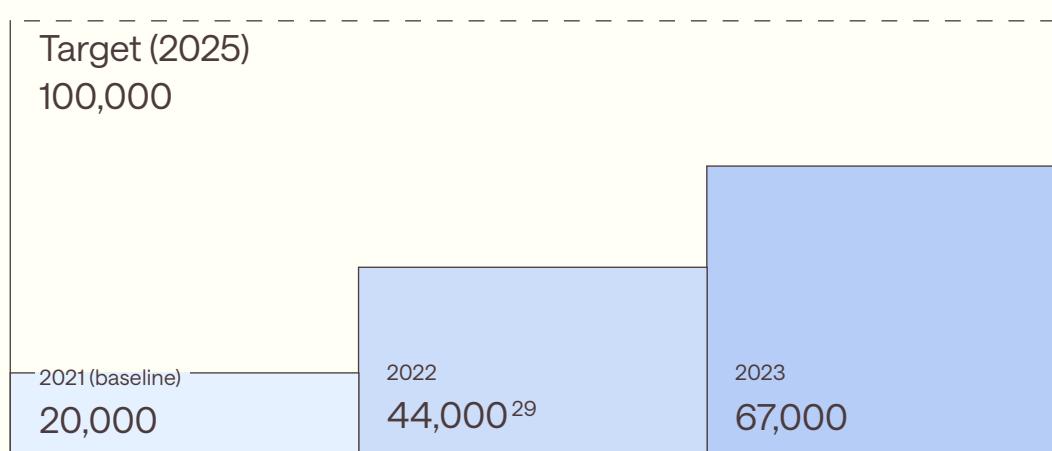
- ♀ 5 Gender Equality
- ⌘ 8 Decent Work and Economic Growth
- ⇒ 10 Reduced Inequalities

Goal

Make wellbeing programs available to makers.

- 100,000 makers who participate in wellbeing programs by 2025²⁸

Cumulative number of makers participating in wellbeing programs



Cumulatively, approximately 67,000 makers have participated in wellbeing programs since 2021. In 2023, we evolved our program to prioritize facility-based projects focused on gender equity and wellbeing in the workplace.

See more in [Maker Wellbeing](#).

Goal

Achieve Fair Labor Association (FLA) accreditation by 2024.

We have completed three of the four FLA milestones.³⁰ As part of the accreditation process, the FLA evaluated our social compliance systems and processes and independently conducted on-site assessments at select supplier facilities.

²⁸ This metric is tracked through our Vendor Grant program and is also applied toward our goal to provide wellbeing tools and resources to more than 10 million people by 2025. Data is self-reported from grant recipients. For more information, see [Be Well](#).

²⁹ In 2023, we applied methodology enhancements to address inherent limitations of self-reported data from grant recipients. We have updated our 2022 progress (from 55,000 to 44,000) to reflect these changes. This restatement does not impact our goal target.

³⁰ [FLA's accreditation evaluation](#) focuses on improving member companies' social compliance programs. It includes four milestones, each with specific requirements for companies to fulfill. The milestones include: 1. Governance and Internal Alignment, 2. Implementation and Monitoring,

3. Review and Improvement, 4. Full Implementation and Integration.

What We're Doing

We do not own our manufacturing facilities and rely on contracted suppliers to manufacture and provide fabrics for our products.

lululemon's Responsible Supply Chain (RSC) social program advances our commitments to fair labor practices and the wellbeing of the people who make our products. This program is based on the principles of the [OECD Due Diligence Guidance for Responsible Business Conduct](#) and is designed to identify, cease, prevent, or mitigate [supply chain risks](#) throughout our value chain. It is built on three pillars:

- **Monitoring:** Assessing and, in collaboration with suppliers, improving working conditions in facilities
- **Integration:** Integrating responsible purchasing practices across key lululemon strategies, processes, and tools
- **Collaboration:** Working with multi-stakeholder organizations, industry, suppliers, and brands to support systems change and impact

Our approach

We are committed to responsible business conduct and to acting ethically and with integrity in our business dealings. Our policies are based on international human and labor rights standards and guidelines, including:

- [Universal Declaration of Human Rights](#)
- [United Nations Guiding Principles on Business and Human Rights](#)
- [International Labour Organization \(ILO\) Declaration on Fundamental Principles and Rights at Work](#)
- [OECD Guidelines for Multinational Enterprises on Responsible Business Conduct](#)

Our [Vendor Code of Ethics](#) (VCoE) is the cornerstone of our approach to a responsible supply chain. It establishes our commitment to contributing to healthy communities by fostering respectful, inclusive workplaces and sets the minimum standards for our suppliers. See [Reporting & Disclosure: Responsible Supply Chain](#) for details on additional policies, commitments, and disclosures.

We have worked with industry experts to review our RSC program for alignment with the OECD Due Diligence Guidance. In 2023, we worked to implement recommended actions, including work on our [Human Rights policy](#), which we published in 2024.

Our FLA membership provides us with an industry-leading framework for responsible supply chain practices and a forum to engage with peers and industry stakeholders to advance systemic industry issues. See [page 22](#) for additional details on our FLA accreditation process.

Our suppliers

We strive to work with suppliers who share our values and collaborate with us to uphold robust standards, address systemic challenges, and support the wellbeing of the people who make our products. We only approve a new supplier if they successfully meet the rigorous requirements of our [New Vendor Approval Process](#), which evaluates suppliers from a social, environmental, sourcing, quality, and production perspective at the facility level.

In 2023, we worked with approximately 49 [Tier 1](#) suppliers that manufactured our products and approximately 67 [Tier 2](#) suppliers that provided the fabrics for our products. The majority of our products were manufactured in Vietnam, Cambodia, Sri Lanka, Indonesia, and Bangladesh, and the majority of our fabrics originated from Taiwan, China Mainland, and Sri Lanka.

We [publish](#) a list of our Tier 1 supplier facilities, strategic Tier 2 supplier facilities, and select Tier 1 [subcontractors](#).³¹ These facilities employ over 300,000 people. As of April 2024, approximately 76 percent of makers were women. This information can also be found on [Open Supply Hub](#).

Monitoring our supply chain

Facilities producing for lululemon are regularly assessed against the requirements of our VCoE and [supporting benchmarks](#). We aim to assess all Tier 1 and Tier 2 facilities every 12 months.

Follow-up assessments may be performed based on certain risk factors or grievance investigations.

Annual supplier assessments are carried out on site and include visual inspections of the facility, documentation reviews, and interviews with management and their workers. In 2023, we expanded our RSC team to include more on-the-ground capacity in key sourcing regions. We carried out approximately 400 RSC assessments (including initial, annual, and follow-up assessments); 65 percent were conducted by our internal RSC team and 35 percent were conducted via nominated third-party assessors. As part of the accreditation process, FLA also carried out assessments of 5 percent of our Tier 1 facilities.

When an issue is flagged in an assessment, we require suppliers to develop Corrective and Preventative Action Plans (CAPAs) to address identified issues. All zero-tolerance issues are addressed and remediated with high priority. We have zero tolerance for lack of transparency, disclosure, and cooperation; forced labor; unapproved subcontractors; minimum wage violations; child labor; corruption and bribery; and egregious circumstances. As part of our due diligence approach, we actively work to mitigate any identified risks and conduct annual human rights and social risk mapping across our product supply chain.

In 2023, we rolled out a new system to enhance our assessment tools and enable more detailed data analysis on non-compliances, root causes, and other trends. Findings feed into our risk systems, inform our programs, and help us with targeted training and capacity building.

In 2023, we delivered training to suppliers on RSC topics such as resisting bribery, non-compliance root cause analysis, and health and safety inspections. We also provided all Tier 1 and Tier 2 suppliers with mandatory e-learning on forced labor prevention.

See [Reporting & Disclosure: Additional ESG Reporting - Responsible Supply Chain](#) and our [2023-2024 Modern Slavery Statement](#) for more information on supplier assessments, grievance mechanisms, remediation, and continuous improvement.

³¹ The list evolves to reflect the seasonality of lululemon's business and corresponding production. It reports suppliers at the facility level based on volume. Our April 2024 list accounts for 100% of Tier 1 facilities and the subcontractors for the top ten Tier 1 facilities by volume. It also includes strategic Tier 2 supplier facilities that account for approximately 75% of Tier 2 facilities measured by volume (excluding trims, packaging, and footwear raw materials) for 2024. All facilities supporting the manufacturing of collegiate products are disclosed.

Responsible purchasing practices

We are committed to responsible purchasing practices, which we believe help contribute to the quality of life of makers, the strength of supplier relationships, and supplier resilience.

Our responsible purchasing practices strategy is informed by supplier feedback and reflects our aim to foster long-term relationships based on collaboration and continuous improvement. Our work focuses on three key areas:

- **Setting internal targets** and measuring our performance.
- **Embedding responsible purchasing practices, principles, working groups, and education** across key functions.
- **Engaging our suppliers on responsible purchasing practices** to gather feedback. For example, we participate annually in the [Better Buying Purchasing Practices Index™](#).

In 2023, we finalized an internal Responsible Purchasing Practices (RPP) policy that formalizes processes and accountabilities. Our interactive RPP e-learning for product and supply chain team members has helped further integrate this work across the business.

Fair compensation

As a member of the FLA, we are part of a global effort to collaborate toward fair compensation. We believe every maker should be fairly compensated for hours worked, enabling them to have a decent standard of living, in alignment with the living wage definition from the [Global Living Wage Coalition](#).³² We also know that achieving fair compensation in supply chains is a global challenge that must be approached in collaboration with governments, industry, and civil society. Through our RSC assessments, we assess that maker compensation in our supplier facilities is, at a minimum, in compliance with local legal requirements for regular work and overtime.

We regularly partner with key suppliers to collect wage data to understand wage management systems, compensation levels,

and the effects of our purchasing practices on maker wages. Assessments, along with the data we collect through the [FLA Wage Data Collection Tool](#), inform our fair compensation strategy. This strategy focuses on three key areas:

- **Brand-influenced wage drivers:** Identifying areas of opportunity within our purchasing practices and through participation in collaborative pilot projects.
- **Facility-enabled wage levers:** Supporting suppliers in improving wage management systems that enable progressive wage increases.
- **Industry support mechanisms:** Partnering with organizations that support the advancement of fair compensation through programs and living wage research.

- **Leadership development:** A project in Turkey to help develop women in preparation for leadership roles.

With funding through the lululemon Centre for Social Impact, we engage in sector-wide initiatives on industry wellbeing challenges such as health, gender-based violence and harassment, and economic resilience.

See [Be Well](#) for more information on maker wellbeing.

Supporting maker wellbeing

We offer wellbeing tools and resources to makers through select programs across our supply chain. We engage in industry partnerships (see [Be Well](#)), and work directly with some suppliers through training and grants to support wellbeing projects.

Through our Vendor Grant program, we work directly with eligible suppliers to help fund projects focused on gender equity and wellbeing in the workplace. Suppliers apply for project grants, with lululemon providing up to 50 percent of the funding for successful applications.

In 2023, we contributed US \$340,000 toward 15 vendor grants, including:

- **Physical and mental wellbeing:** Yoga programming in five facilities in Indonesia, Peru, and Sri Lanka, as well as projects offering psychological and mental health support for makers in four facilities in China Mainland, Peru, and Vietnam.
- **Women's health:** Projects supporting women's health in Bangladesh, China Mainland, and Vietnam. These projects included education, support for makers who are pregnant or nursing, and the distribution of sanitary pads and long-term access to sanitary products.



Makers participating in a yoga program supported by a vendor grant, Peru.

³² The Global Living Wage Coalition defines a living wage as: the remuneration received for a standard workweek by a worker in a particular place sufficient to afford a decent standard of living for the worker and their family. Elements of a decent standard of living include food, water, housing, education, healthcare, transportation, clothing, and other essential needs, including provision for unexpected events.

03

Be Well



We believe that everyone has the right to be well.

- 27 Our Approach to Wellbeing
- 30 Global Wellbeing
- 30 Community Wellbeing
- 31 Maker Wellbeing
- 31 Frontline Wellbeing
- 31 Research and Engagement

Our Approach to Wellbeing

Why It Matters

According to lululemon's [2023 Global Wellbeing Report](#), global wellbeing levels—including physical, mental, and social wellbeing—have not improved in the last three years. In fact, people report they are working even harder to maintain the same level of wellbeing.³³ The World Health Organization reports that one in eight people in the world now lives with a mental disorder.³⁴ Many people are unable to access the tools and resources necessary to face challenges that impact their wellbeing, particularly those experiencing disproportionate rates of stress and trauma due to systemic inequities.

Wellbeing is also linked to the planet. Climate change has adversely affected physical and mental health globally, and it is projected that extreme weather events will continue to negatively impact wellbeing.³⁵

SDGs supported

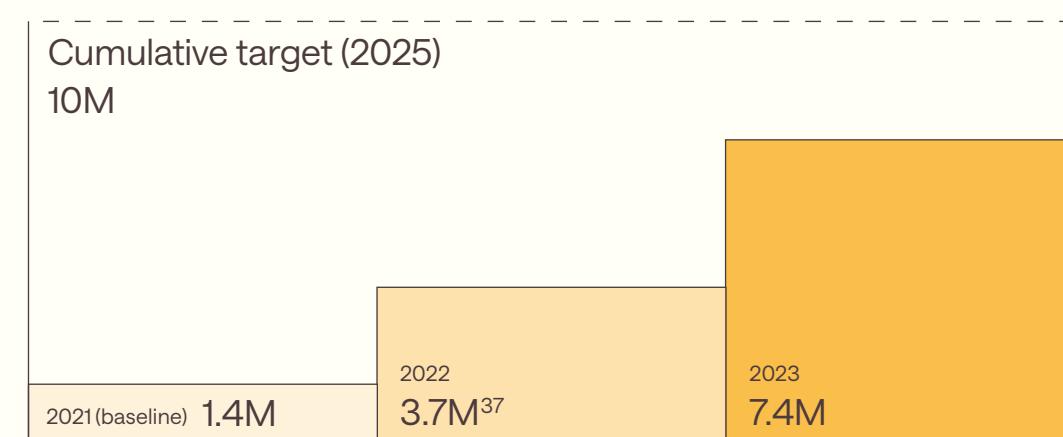
- 3 Good Health and Wellbeing
- 5 Gender Equality
- 10 Reduced Inequalities

Goal

Provide access to wellbeing tools and resources.

- 10 million people reached³⁶ through the lululemon Centre for Social Impact by 2025

Cumulative people reached through the Centre for Social Impact



We have reached 7.4 million people to date through partnerships with charitable organizations.

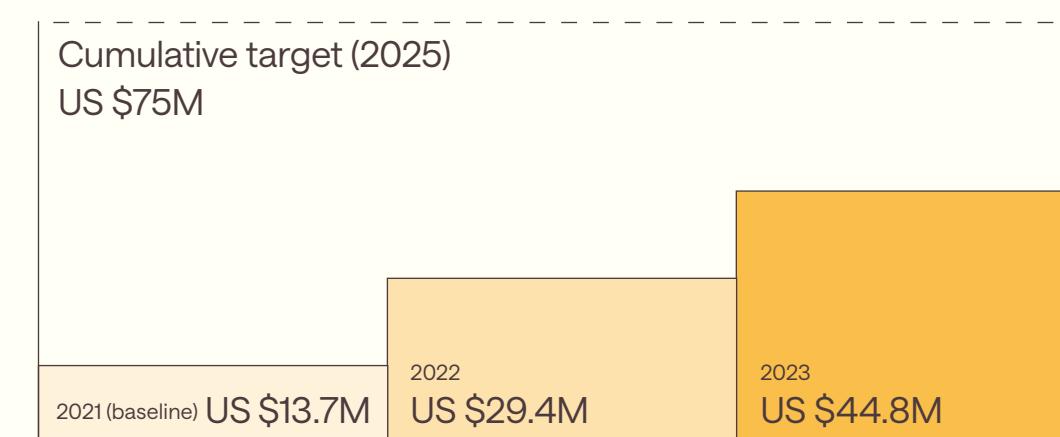
For examples of people reached, see [Global Wellbeing](#), [Community Wellbeing](#), [Maker Wellbeing](#), and [Frontline Wellbeing](#).

Goal

Invest to advance equity in wellbeing through the lululemon Centre for Social Impact.

- US \$75M invested by 2025

Cumulative Centre for Social Impact contributions



Since 2021, we have made a cumulative investment of US \$44.8 million.³⁸

For details on our investments, see [pages 29-31](#).

³³ [lululemon 2023 Global Wellbeing Report](#). The results of this report are based on an online survey commissioned by lululemon and managed by Edelman Data & Intelligence. The survey included 14,000 respondents across Australia, Canada, China Mainland, France, Germany, Hong Kong SAR, Japan, New Zealand, Singapore, South Korea, Spain, Thailand, the United Kingdom, and the United States, between May and June 2023.

³⁴ World Health Organization (June 2022), [World mental health report](#).

³⁵ Intergovernmental Panel on Climate Change (February 2023), Sixth Assessment Report – Impacts, Adaptation and Vulnerability.

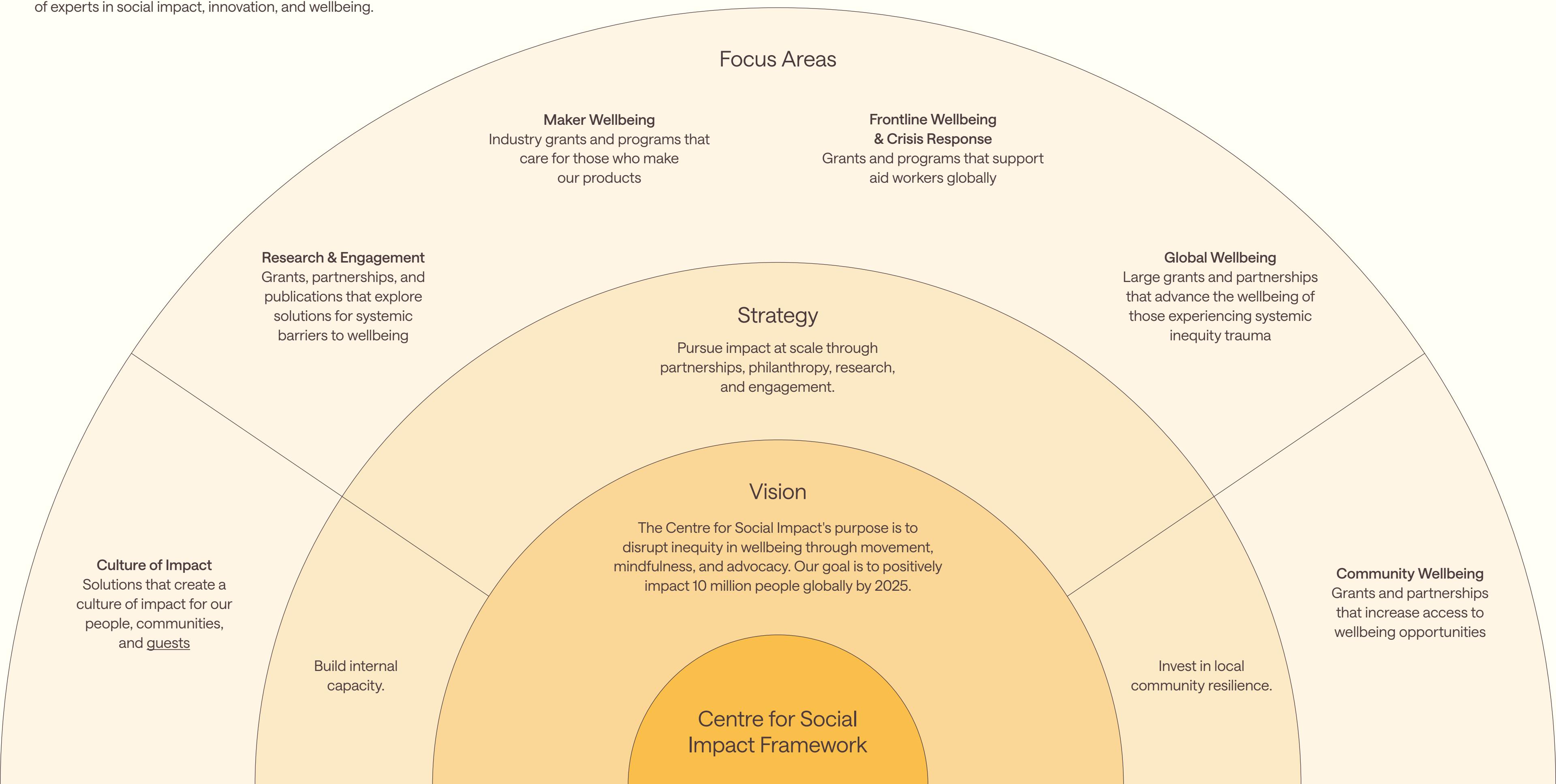
³⁶ We define “people reached” as those who receive services from our grantees or actively participate in their programming. Our progress toward this goal includes maker wellbeing programs. See [People Who Make Our Products](#) for more information.

³⁷ In 2023, we applied methodology enhancements to address inherent limitations of self-reported data from grant recipients. We have updated our 2022 progress (from 4.4 million to 3.7 million) to reflect these changes. This restatement does not impact our goal target.

³⁸ We have contributed US \$44.8 million (cumulative since 2021) to the lululemon Centre for Social Impact, \$32.4 million of which has been contributed directly to social impact organizations. The remaining \$12.4 million primarily consists of contributions toward a donor-advised fund for future grant making.

Centre for Social Impact Framework

Launched in 2021 with a commitment of US \$75 million by 2025, the [lululemon Centre for Social Impact](#) invests in and advocates for the wellbeing of those most affected by systemic inequity around the world. The Centre is led and managed by a global internal team of experts in social impact, innovation, and wellbeing.



What Does It Mean to Be Well?

At lululemon, we define wellbeing as a lifetime practice of three interconnected elements:

Physical wellbeing

Feeling empowered and able to give one's body what it needs for health and quality of life.

Mental wellbeing

Feeling emotionally prepared and able to handle what the future holds.

Social wellbeing

Feeling connected to others, being part of something larger than oneself, and contributing to a supportive community.

This enterprise definition provides a framework that informs the lululemon Centre for Social Impact and guides the business in how we advance wellbeing for our employees and our collective.

Wellbeing is also connected to environmental events such as climate change. This is why, as our work progresses, we have evolved our Centre for Social Impact approach to include a portfolio for environment and wellbeing.

What We're Doing

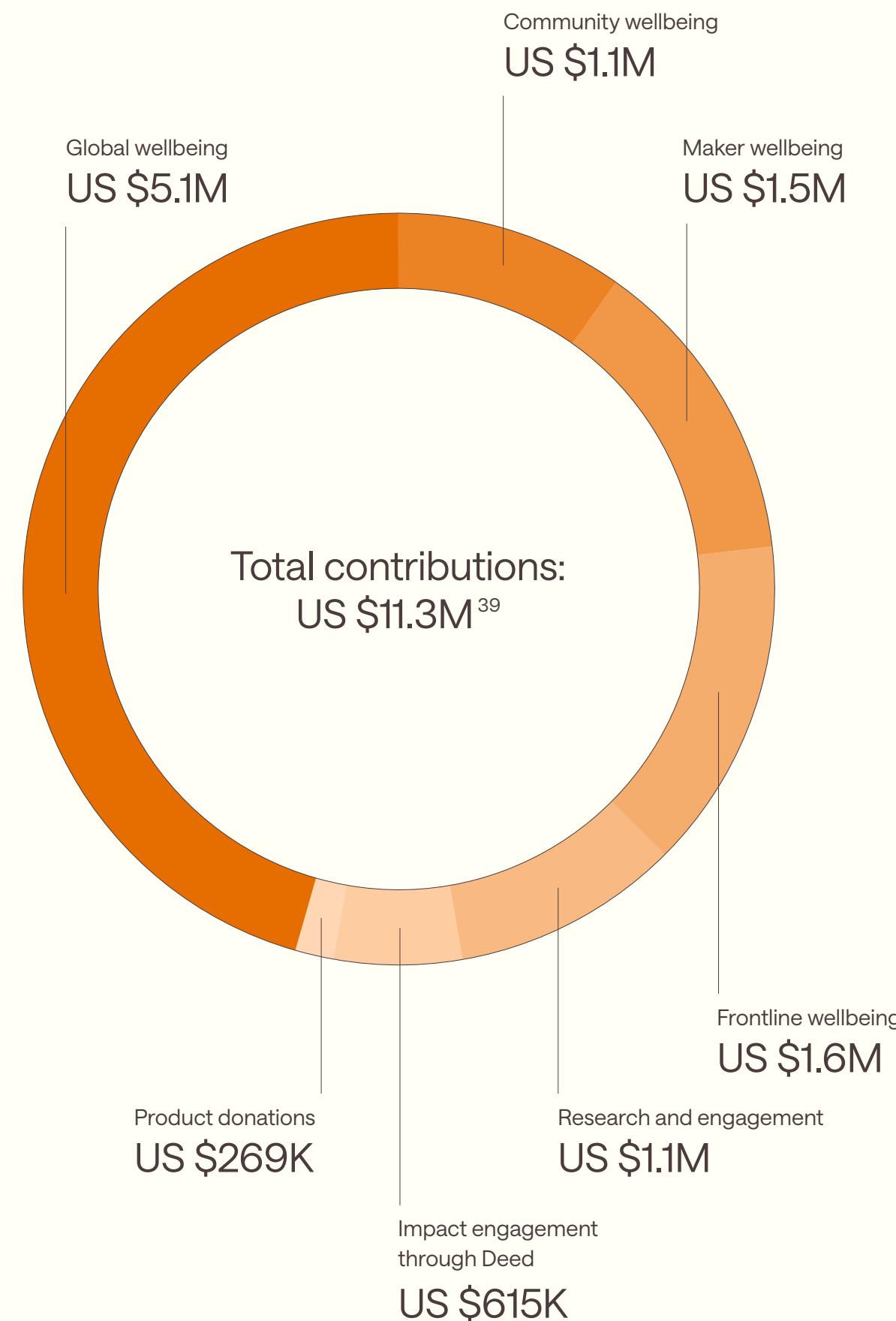
We are working to break down barriers that prevent access to wellbeing tools and resources. The lululemon Centre for Social Impact aims to support wellbeing through movement, mindfulness, and connection. The Centre leverages our business, expertise, resources, and communities to invest in and advocate for the wellbeing of those most affected by systemic inequity. We are also committed to advancing a culture of impact for our employees. See more in Be Human.

We started the Centre in 2021 with a primary goal: provide access to wellbeing tools and resources to more than 10 million people by 2025, supported by our commitment to invest US \$75 million to advance equity in wellbeing. To reach these commitments, we invest in Global Wellbeing, Community Wellbeing, Maker Wellbeing, and Frontline Wellbeing focus areas, as well as Research and Engagement. See details in the pages that follow.

Our rigorous partnership and grantee selection process is conducted by global and regional colleagues across lululemon, as well as social impact experts. This team selects organizations based on their ability to effectively reach and impact a variety of communities and populations, including Indigenous Peoples, people with disabilities, adolescents, makers, and frontline workers.

We also established a Mental Wellbeing Global Advisory Board in 2023 made up of 11 external experts, including social innovators, academics, social service providers, advocates, and physicians, who guide and support us as we continue to evolve our work. In particular, the Board advises us on global mental wellbeing programming and employee offerings, Centre for Social Impact initiatives, and analysis of our annual Global Wellbeing Report.

Contributions to social impact organizations in 2023



Global Wellbeing

By collaborating and innovating with leading charitable organizations operating at scale, we can help support the wellbeing of people experiencing disproportionate rates of stress and trauma. In 2023, the Centre for Social Impact invested US \$5.1 million in global wellbeing organizations and provided them with access to lululemon resources, platforms, and support. Global initiatives include support for 24 organizations with strategic relevance to our vision and mission, including 10 new strategic partnerships established in 2023.

Examples of our partnerships include:

- **Girls Opportunity Alliance**, a program of the Obama Foundation focused on empowering adolescent girls globally through education and wellbeing
- **United for Global Mental Health**, dedicated to creating a world where everyone, everywhere has access to mental health support, free of stigma or restrictions

Investing in people and the planet

In 2023, we established a new portfolio to invest in organizations focused on the intersection of planetary and human wellbeing. The funding stream works to address a growing segment of the mental health crisis—climate anxiety and depression. In 2023, we invested US \$250,000 in organizations supporting youth-led climate action and Indigenous nature stewardship, including Action for the Climate Emergency (ACE), Force of Nature, and MakeWay Foundation.

Indigenous wellbeing

We have a commitment to amplify Indigenous voices, support Indigenous communities, and sustain ongoing partnerships. We are members of The Circle on Philanthropy (The Circle) and Native Americans in Philanthropy (NAP). We have been working with—and learning from—The Circle for the past four years; during that time, we annually donated CAD \$250,000 each to the Musqueam, Squamish, and Tsleil-Waututh Nations. In 2023, we also funded 10 Indigenous-serving organizations through our Here to Be grant program.

Community Wellbeing

We know that different communities face different challenges. That's why we are committed to funding organizations that prioritize the unique needs of the communities they serve, and to advancing equitable access to wellbeing through movement, mindfulness, and connection. We support grassroots and community-led organizations in our regional markets across the globe, partnering with organizations that align with issues relevant to communities in their location. In 2023, the Centre for Social Impact invested US \$1.1 million in community wellbeing organizations.

Here to Be grant program

Established in 2016, our Here to Be grant program is an annual application-based grant led by the lululemon Centre for Social Impact that supports local organizations around the world in creating inclusive access to physical, mental, and social wellbeing practices. We prioritize grants to organizations that have diverse and representative leadership, serve populations most affected by systemic inequities, and have programming that addresses the unique needs of their respective communities.

Our 2022-23 Here to Be cohort was composed of 71 organizations across 13 locations in Asia, Australia, China Mainland, Europe, India, New Zealand, and North America. These organizations are advancing equitable access to wellbeing in many ways, including removing barriers to movement and mindfulness practices, expanding financial accessibility to wellbeing services, and offering culturally responsive and trauma-informed programming to improve mental health outcomes. In 2022, we provided US \$2.8 million in grants to our cohort, which impacted one million people in 2022 and 2023. It included organizations such as Hauora Aotearoa (New Zealand), Mindwalk Yoga (United Kingdom), and Shanghai Lanjingling Sports Volunteer Service Center / beYoureyeS (China Mainland).

In 2023, we launched the Grow Impact Fund to provide strategic, multi-year funding and capacity-strengthening programming to select Here to Be alumni organizations. This new funding stream aims to drive growth and enable long-term planning of community-led organizations that are disrupting inequity in wellbeing, ultimately contributing to a more robust global wellbeing ecosystem.



Drummers from Tsleil-Waututh Nation sing an honor song at the Olympic pin gifting ceremony, Canada.

Maker Wellbeing

The suppliers who make our products employ more than 300,000 makers, most of whom are women. We aim to support the wellbeing of makers through industry grants and programs designed to benefit them, their families, and their communities.

Industry partnerships

We support programs and initiatives that focus on women, gender equity, and wellbeing. In 2023, we continued three multi-year partnerships, totaling US \$3.45 million (cumulative since 2021), to help advance initiatives at global non-profits and local grassroots organizations. Our partners include:

- **CARE's Made by Women**, which supports programs for women in the garment industry, ranging from violence prevention to leadership
- **The Resilience Fund for Women in Global Value Chains**, a first-of-its-kind pooled funding initiative that invests in the long-term health, safety, and economic resilience of women working in global value chains
- **Women Win**, a global women's fund advancing girls' and women's rights, including women's economic resilience through private sector engagement

For more details on maker wellbeing, including the Vendor Grant program, see [Be Human](#).

Frontline Wellbeing

Frontline workers play an essential role in creating safe, healthy communities, and responding to the world's toughest crises. Our frontline wellbeing efforts support those affected by disasters and global crises as well as the mental wellbeing of people acting on the frontlines.

Through the lululemon Centre for Social Impact, we partner with the United Nations (UN) Foundation on the co-created [Peace on Purpose](#) program, which provides evidence-based mindfulness tools to support the physical and mental wellbeing of UN development and humanitarian workers on and off the front lines of global conflicts. In 2023, Peace on Purpose provided in-person and digital offerings to more than 6,000 UN personnel across

more than 170 countries. We also renewed our partnership with a commitment of US \$1.6 million from 2024 through 2025.

Crisis response

We provide crisis response assistance as part of our direct support of frontline workers, communities, and individuals affected by natural disasters and catastrophic events. In 2023, we provided US \$690,000 to crisis response initiatives, including relief efforts for natural disasters around the world.

Research and Engagement

We support and conduct research to examine systemic barriers to equity in wellbeing and amplify collaborative solutions through engagement and advocacy. In 2023, examples included:

Global Wellbeing Report

We released our third [Global Wellbeing Report](#) to guide where and how we support research and engagement efforts. This report includes a Global Wellbeing Index, which measures wellbeing by market. We expect to release our next Global Wellbeing Report in September 2024.

NAMI

We continue to evolve our collaboration with the [National Alliance on Mental Illness](#), and provide funding to help reimagine crisis response in the United States through increased access and awareness of 988 as a nationwide mental health crisis and suicide prevention number.

Center for Reproductive Rights

In 2023, our Centre for Social Impact made a US \$450,000 contribution to the [Center for Reproductive Rights](#), a non-partisan organization that uses the power of law to advance reproductive rights as fundamental human rights around the world.



Peace on Purpose program delivery, Ethiopia.



04
Be Planet

Our lives are interconnected with the health of the planet.

- 34 Climate Action
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- 50 Water and Chemistry
- 53 Packaging and Waste

Climate Action

Why It Matters

Climate change is damaging ecosystems and causing adverse impacts to human health and wellbeing, representing an urgent global challenge.⁴⁰ We take responsibility for our impact on the climate and have a role to play in helping to reduce emissions in the apparel industry value chain. The path ahead is complex, requiring unprecedented levels of learning, transformation, and collective action, including partnerships across the apparel industry.

SDGs supported

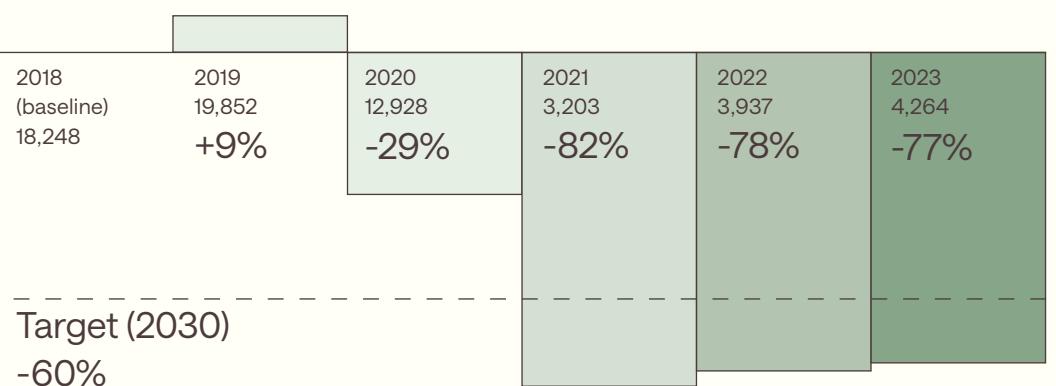
- ⦿ 7 Affordable and Clean Energy
- ∞ 12 Responsible Consumption and Production
- ⦿ 13 Climate Action

Goal

Meet our 2030 Scope 1 and 2 science-based climate target.⁴¹

- 60% absolute reduction in greenhouse gas (GHG) emissions in all owned and operated facilities (Scope 1 and 2)⁴² by 2030⁴³

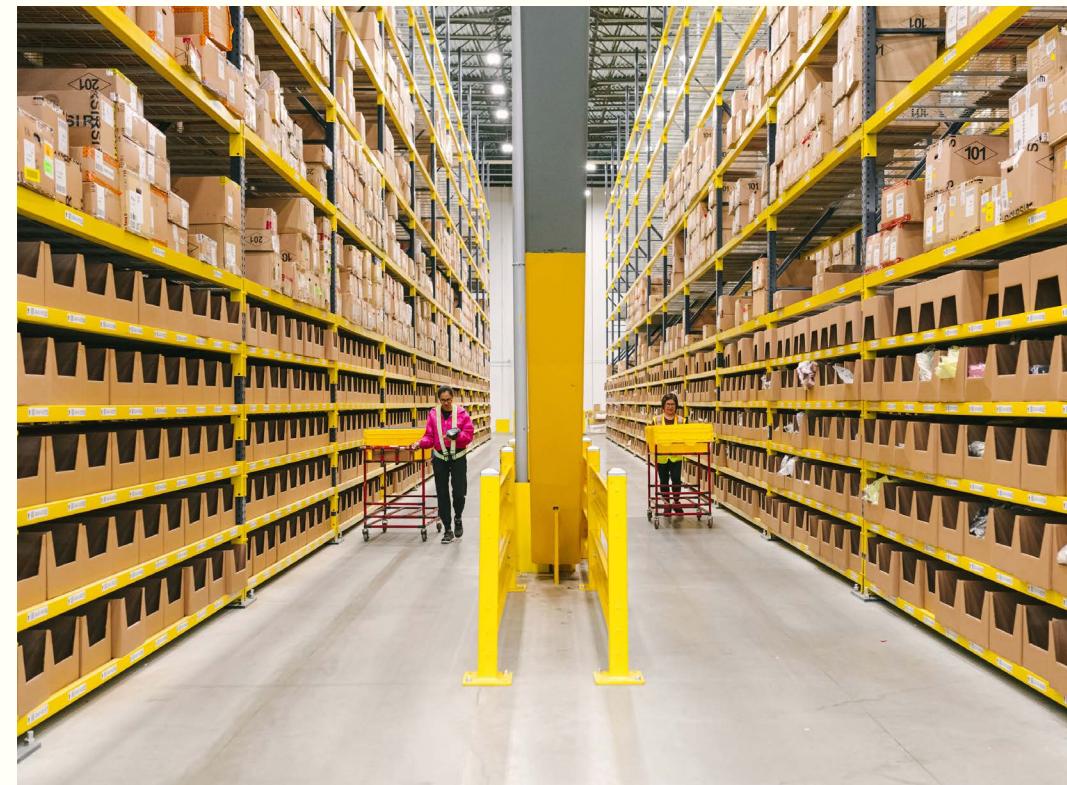
% reduction in Scope 1 and 2 absolute emissions in owned and operated facilities (tCO₂e)⁴⁴



We achieved this goal in 2021 and have continued to maintain it since. This is in large part driven by renewable electricity usage, including a wind Virtual Power Purchase Agreement (VPPA) in North America. Our procured renewable electricity also includes on-site solar from one of our distribution centres (DCs), energy attribute certificates (EACs) from accredited tracking agencies, and green premium options from renewable utility providers.

We will continue to manage emissions in our owned and operated facilities and maintain achievement of our goal, and we are implementing energy efficiency measures, including energy management systems (EMS) and heating, ventilation, and air conditioning (HVAC) upgrades.

See more in Owned and Operated Facilities.



lululemon distribution centre, Canada.

⁴⁰ The Intergovernmental Panel on Climate Change, Climate Change 2023 Synthesis Report.

⁴¹ We received verification from Apex Companies on our Scope 1, Scope 2, and Scope 3 (business travel) emissions. See the Assurance Statement for details.

⁴² The Supplement contains both market-based and location-based emissions. Our goal reflects market-based emissions.

⁴³ This target is approved by the Science Based Targets initiative (SBTi), which develops standards, tools, and guidance that allow companies to set GHG emissions reductions targets. Our climate data is reported on a calendar year basis.

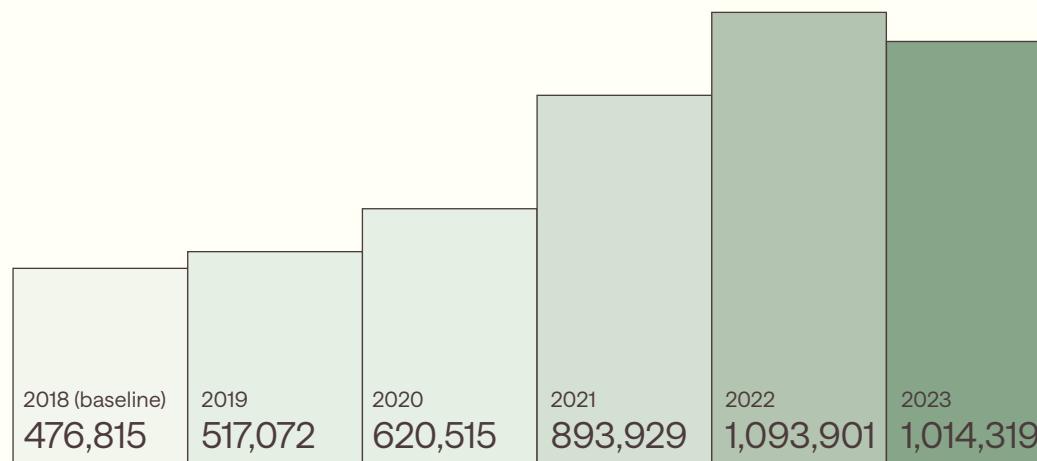
⁴⁴ For a breakdown of our Scope 1 and 2 emissions and science-based target, see the Supplement.

Goal

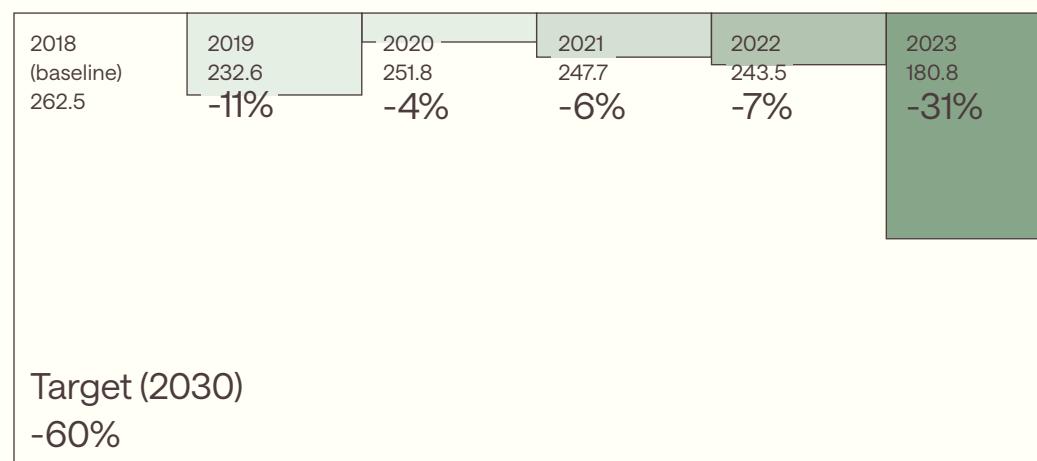
Meet our 2030 Scope 3 science-based climate target⁴⁵

- 60% intensity reduction in GHGs in purchased goods and services, and upstream transportation and distribution (Scope 3)⁴⁶ by 2030⁴⁷

Total Scope 3 emissions within science-based target (tCO₂e)



% reduction in Scope 3 emissions intensity (tCO₂e per million US \$ of gross profit from operations)



⁴⁵ We received verification from Apex Companies on our Scope 1, Scope 2, and Scope 3 (business travel) emissions. See the [Assurance Statement](#) for details.

⁴⁶ In 2024, we updated our Scope 3 target as part of our target re-validation process with SBTi to include Category 1 (with the exclusion of "other purchased goods and services," which relate to non-product spend) and Category 4 emissions, as defined by the [GHG Protocol](#). This exceeds the SBTi requirement of including at least two-thirds Scope 3 emissions. We also updated the denominator of our economic intensity target metric, which was developed using the GEVA (GHG emission per unit of value-added) methodology, from revenue to gross profit to align with the latest SBTi requirements. We have updated our baseline and prior year progress to reflect these changes as well as other methodology enhancements, including data improvements and updates to emission factors. For a breakdown of total Scope 3 and science-based target emissions, see the [Supplement](#).

⁴⁷ This target is approved by SBTi.

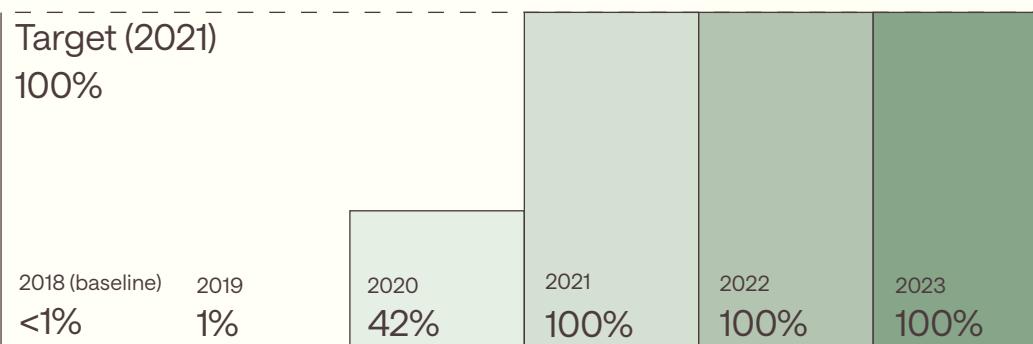
⁴⁸ In 2022 and 2023, we procured 100% renewable electricity to power our owned and operated facilities, with 98% sourced in compliance with the RE100 technical criteria. We were unable to source renewable electricity in South Korea, due to unavailability of an EAC program. In 2023, our Australian locations experienced a warmer year than expected and used more electricity. As a result, we were only able to procure renewable electricity for 98% of our Australian electricity use. Consequently, renewable energy credits were procured from nearby geographies.

Goal

Source renewable electricity to power our owned and operated facilities.

- 100% renewable electricity in our owned and operated facilities by 2021

Renewable electricity in our owned and operated facilities (total renewable electricity)⁴⁸



We met this goal in 2021 and have maintained it since.

See more about our renewable electricity usage on [page 34](#) and in [Owned and Operated Facilities](#).

Our Climate Strategy

We aim to minimize our carbon footprint by focusing on four key areas: Manufacturing; Products, Materials, and Packaging; Transportation and Logistics; and Owned and Operated Facilities.

Achieving progress and scalable solutions requires deep collaboration across supply chains, industry and cross-industry partners, policymakers, and civil society, among others.

Our strategy is designed to support us as we work toward our 2030 climate targets and our 2050 net-zero target (see [page 37](#)).

This strategy includes:

Addressing emissions in our supply chain (Scope 3)	Minimizing emissions in our owned and operated facilities (Scope 1 and 2)	Future carbon removal
<p>Manufacturing Partner with suppliers and industry to increase energy efficiency, expand access to and use of renewable electricity, phase out on-site coal boilers, and invest in manufacturing innovation.</p>  <p>Products, Materials, and Packaging Design products using preferred materials, increasing the use of recycled, renewable, and regenerative inputs where operationally feasible.</p> <p>Transportation and Logistics Optimize moving products with ocean shipping and other lower-emission transportation modes, and advance use of alternative fuels.</p>	<p>Owned and Operated Facilities Improve energy efficiency, electrify heating where operationally feasible, and continue to invest in 100 percent renewable electricity in our stores, DCs, and offices.</p> 	<p>While first focusing on emission reductions to meet near-term targets, in the future we plan to also explore carbon removal projects that align to SBTi guidance for net-zero targets.</p> 

What We're Doing

Our 2030 Scope 1, 2, and 3 climate targets are approved by the Science Based Targets initiative (SBTi).⁴⁹ Our long-term science-based target—to achieve net-zero emissions of GHGs by 2050—was validated against the [SBTi Corporate Net-Zero Standard](#) and approved in 2024.⁵⁰ To work toward achieving our goals, we are taking action to reduce GHG emissions intensity across our supply chain and owned operations.

As a growth company, our production and retail markets continue to extend across new and existing regions. We are guided by climate science and carbon footprint data, and aim to prioritize where we have the biggest impacts and potential to influence change. Our goal is to focus on mitigating risks and impacts, advancing innovation, and engaging with stakeholders.

We use the following principles to help guide our climate action strategies:

- **We are informed by data and science.** We use guidance from SBTi to set targets based on evolving climate science, and apply the best available data to inform our strategy and actions.
- **We consider our entire carbon footprint.** We work to understand and address social and environmental impacts and risks across our operations and supply chain.
- **We collaborate with industry.** The apparel and footwear industry largely works with supplier facilities that engage with several brands at any given time. As appropriate, we collaborate within our supply chain and across industries to accelerate progress toward shared climate goals.
- **We support appropriate policies and projects that advance a rapid transition to renewable energy.** We are working to support select public policy initiatives and projects that advance access to renewable energy across markets where we manufacture and operate.

- **We are committed to transparency.** We make annual disclosures on climate progress to [CDP](#), and report against the goals in our annual Impact Report. We are transparent about our progress, learn from and share challenges, and collaboratively work to advance thoughtful solutions.

In 2022, we developed a climate risk register and undertook a climate scenario analysis to help map potential risks and opportunities over different time horizons. Senior leaders across the business discussed findings, and in 2023, used the data to

inform our CDP and [TCFD](#) (Task Force on Climate-related Financial Disclosures) disclosures. This work is foundational to integrating climate risk and resilience into future business decisions. More information on this topic can be found in the [Supplement](#) and our latest [CDP disclosure](#). We are currently working on developing a public Climate Plan, which includes gathering input from stakeholders through facilitated sessions with [Ceres](#), a nonprofit advocacy organization working to accelerate the transition to a cleaner, more just, and sustainable economy.

2023 carbon footprint⁵¹

Emissions type	Description	tCO ₂ e	GHG Protocol Category	Included in SBT
Scope 1 & 2 <i>0.3% of footprint</i>	Energy in DCs, stores, and offices	4,264		●
Scope 3 <i>99.7% of footprint</i>	Raw materials, including packaging	318,917	1	●
	Manufacturing	473,360	1	●
	Other purchased goods and services	128,257	1	
	Transportation	222,042	4	●
	Other	177,119	All others (excluding 11)	
Total		1,323,959		

⁴⁹ Our Scope 1 and 2 target aligns with limiting global temperature increases to 1.5°C. Our Scope 3 target aims to limit emissions to well below 2°C above pre-industrial levels.

⁵⁰ As stated on SBTi's website, their Corporate Net-Zero Standard is a framework for corporate net-zero target setting in line with climate science. According to the Standard, companies must cut emissions by more than 90%, and use permanent carbon removal and storage to counterbalance the final 10% or more of residual emissions that cannot be eliminated. Our net-zero target is to reduce absolute Scope 1, 2, and 3 GHG emissions and includes a target boundary of land-related emissions and removals from bioenergy feedstocks.

⁵¹ This includes Scope 2 market-based emissions. See the [Supplement](#) for details on both market-based and location-based Scope 2 emissions, all Scope 3 categories, and historical emissions inventory data.

Manufacturing

In 2023, manufacturing our finished products and materials made up approximately 36 percent of our total carbon footprint. We do not own any manufacturing facilities in our supply chain; instead, we contract with suppliers who produce for multiple brands. This is why engaging with suppliers and industry partners is critical for reducing our manufacturing carbon footprint. The Climate program within our Supplier Environmental program focuses on energy efficiency, renewable energy, and coal boiler phase-out (see [page 39](#)), and is supported by supplier engagement and industry collaboration.

Energy efficiency

We believe energy efficiency is a critical lever for reducing emissions. Through industry initiatives, we are working to address processes in our supply chain that have the highest carbon impacts ([Tier 2](#)). Since 2020, we have been a founding member of the [Carbon Leadership Program](#) (CLP), led by [Apparel Impact Institute](#) (Aii) and [RESET Carbon](#). By the end of 2023, in partnership with the CLP, 54 percent of our Tier 2 suppliers by volume had developed carbon-reduction roadmaps and were at various stages of implementation.

Renewable electricity

The use of renewable electricity by suppliers in manufacturing regions is foundational to reducing our supply chain carbon footprint and working toward the long-term goal of net-zero emissions. In 2023, 14 percent of electricity used by core Tier 1 and 2 suppliers⁵² was reported to come from renewable sources. As part of the roadmap toward our Scope 3 science-based target, we are working to achieve 25 percent renewable electricity among core suppliers by 2025. The approach includes the use of clean energy mechanisms such as on-site solar, off-site procurement (e.g., Power Purchase Agreements [PPAs]), and EACs, all of which are necessary global clean energy transition strategies.

In many manufacturing regions, there are barriers to renewable electricity procurement. These include a lack of regulatory frameworks for on-site and off-site procurement and an insufficient

supply of renewable electricity available for purchase. In 2023, we completed an independent study to gain insights into hotspots and procurement options in different markets to support the development of a manufacturing renewable electricity roadmap. This study has informed our approach to this work, which is rooted in collaboration and includes a focus on creating renewable electricity purchasing training opportunities for suppliers, supporting appropriate policy, assessing renewable electricity adoption pathways in regions where PPAs are not yet available, and exploring financial tools.

- **Supplier training (CEBA):** Due to the evolving regulatory landscape (which varies by location), suppliers require localized training to advance renewable electricity procurement practices. To support this, we became members of the [Clean Energy Procurement Academy](#), an initiative by the [Clean Energy Buyers Association](#) (CEBA) that is designed to educate supplier partners on renewable energy purchasing. The Academy provides in-person and digital training to build supplier capabilities to reduce carbon emissions at scale. We have shared the Academy's training with suppliers located in both China Mainland and Vietnam.
- **Policy advancement (ACEC):** In 2023, we joined [Asia Clean Energy Coalition](#) (ACEC), a coalition of renewable energy buyers, in collaboration with sellers and financiers, working to help strategically shift policy in key Asian national and regional markets and support expansion of and access to renewable electricity.
- **Power Purchase Agreements and alternative strategies:** PPAs are an effective mechanism for increasing clean electricity use, and along with on-site solar are preferred mechanisms for impactful clean energy. However, they are not currently available in many of the regions where our suppliers manufacture materials and products. We are assessing opportunities to leverage PPAs where policy mechanisms exist or are evolving. For example, in Vietnam, the government recently (in July 2024) approved a decree to allow direct PPAs. We are also assessing alternative pathways, including support for on-site solar, and engaging in EAC markets, particularly in locations that do not yet have roadmaps to support PPAs.



Solar panels on a supplier facility, Vietnam.

⁵² These core Tier 1 and Tier 2 suppliers represent over 75% of our production volume; the data is reported through Cascale's Higg Facility Environmental Module (Higg FEM). The majority of this supplier-reported data is verified by third parties accredited through the [Higg FEM Verification Program](#). The 14% is a 7 percentage point increase from 2022. Note that based on subsequent reviews of supplier-reported electricity data, we revised the 2022 renewable electricity used by these Tier 1 and Tier 2 suppliers from 15% to 7%.

Coal boiler phase-out

Apparel and footwear processes that require high heat can use on-site coal boilers, which is a challenge the industry is working to change. We work with our Tier 1 and Tier 2 suppliers to eliminate on-site use of coal, including having them sign commitment letters and establish credible roadmaps to phase out existing coal boilers by 2030. Where needed, we engage with technical experts who work with our suppliers to conduct feasibility studies. These studies review material manufacturing processes that require high heat, and assess the potential for existing and emerging solutions.

Our Responsible Supply Chain (RSC) team engages directly with supplier facilities to identify use of on-site coal, confirm feasibility studies, monitor the transitions using a corrective action plan process, and verify completed phase-out roadmaps. Supplier progress on coal phase-out is included in our supplier business review process with our sourcing teams. It is also integrated into broader supplier management processes, including the supplier qualification phase.

Supplier engagement

We continue to build our supplier climate program. This is underpinned by our Vendor Environmental Manual, which contains guidelines and requirements for environmental topics, including energy efficiency, coal phase-out, renewable energy, water efficiency, wastewater, and chemistry. Our supplier engagement efforts focus on responsible supplier selection, training and capacity building, and resources and procurement practices that incentivize and support progress and investments.

We are working to help accelerate suppliers' carbon-reduction efforts by identifying and financially supporting participation in trainings and programs, including training on carbon emissions tracking, target setting, and carbon-reduction roadmaps. See [Renewable Electricity](#) and [Energy Efficiency](#) for examples. We will continue accelerating our supplier programs and supporting industry approaches to incentivizing and financing scalable carbon-reduction activities.

We collect supplier energy use and energy source data through the [Higg Facility Environmental Module](#) (Higg FEM). In 2023, [Cascale](#) launched updates to the Higg FEM to improve data collection and verification. We offered training on Higg FEM

in multiple languages to Tier 1 and Tier 2 suppliers. In addition, Vietnam suppliers participated in [GIZ's To the Finish Line](#) (TFL), an online training on environmental management based on Higg FEM.

See more about Higg FEM reporting in our [SASB Index](#).

Industry coalitions

Participation in industry coalitions is critical for decarbonizing our supply chains, building influence with suppliers, and deploying scalable solutions with measurable outcomes.

Securing viable financial options to invest in carbon-reduction solutions is one of the challenges faced by many suppliers. In 2023, lululemon continued to work with foundations and brands to support [Aii's Fashion Climate Fund](#), a pooled fund of catalytic capital built by brand retailers, financial institutions, and climate philanthropists to activate suppliers, create roadmaps, build capacity, and increase affordability. Aii's Fashion Climate Fund aims to help unlock an estimated US \$2 billion in [blended capital](#), driving collective action to tackle the industry's supply chain carbon emissions. We contribute to the Fund and participate in their advisory committees. Through the Fund and other partners, we are also evaluating collaborative financing options that could further support carbon-reduction projects.

Since 2020, we have been signatories of the [UN Fashion Industry Charter for Climate Action](#) and are aligned with their commitments and mission to drive to net-zero GHG emissions no later than 2050, in line with keeping global warming below 1.5°C.

See more on the [Partnerships & Memberships](#) page of our website.

Products, Materials, and Packaging

Materials for products and packaging made up approximately 24 percent of our total carbon footprint in 2023. We're tackling the transformative work of reducing the impact of our products, including carbon intensity, while maintaining product performance and quality for our [guests](#). Product design, fiber inputs, and

processes for making materials and products are critical levers for reducing carbon emissions related to our products, while simultaneously advancing innovation in product function.

We aim for 100 percent of our products procured to include [preferred materials](#) by 2030,⁵³ and to transition toward recycled, renewable, and regenerative content. See [Product and Material Innovation](#) for more information on our commitments, strategy, and progress toward our material goals. We are also working to integrate [circular design](#) principles into product creation processes.

See [Circularity and New Guest Models](#) to learn more about steps we've taken.



Transportation and Logistics

In 2023, inbound and outbound transportation made up approximately 15 percent of our total carbon footprint. Our transportation strategy includes:

- Using ocean shipping and lower-carbon transportation modes:** Where operationally feasible, we continue to identify, pilot, and integrate ocean freight and lower-carbon transportation options (e.g., electric vehicles). In 2023, we realized a reduction in air freight usage and saw a corresponding reduction in transportation emissions. For the final leg of e-commerce deliveries, we started using electric vehicles in some key cities in Canada, China Mainland, and South Korea.
- Working with logistics service providers (LSPs):** All our inbound LSPs have approved science-based targets or are working toward setting targets. We engage with LSPs on carbon-reduction opportunities and improvements to emissions data quality.
- Advancing alternative lower-carbon fuels:** In 2023, we joined two buyers' alliances: [Sustainable Aviation Buyers Alliance](#) (SABA), which is accelerating investment in and adoption of sustainable aviation fuels, and [Zero Emission Maritime Buyers Alliance](#) (ZEMBA), a buyers group within the maritime sector with the mission to accelerate commercial deployment of zero-emission shipping solutions. Partnering with buyers' alliances to aggregate demand sends a strong market signal to fuel producers and carriers to support investment in these nascent but critical alternative fuel markets.

Owned and Operated Facilities

In 2023, owned and operated facilities made up less than 1 percent of our overall carbon footprint, as we have reduced these emissions significantly through our renewable electricity procurement practices. We are proud to have achieved our goal of transitioning to 100 percent renewable electricity in 2021 (and to have maintained it since then), and to have exceeded our 2030 goal of 60 percent absolute reduction of GHG emissions in our owned and operated facilities. See [page 34](#).

As our business grows, we aim to manage our Scope 1 emissions through energy efficiency and electrification, while maintaining our Scope 2 renewable energy achievements.

Renewable electricity

Renewable electricity is critical to the transition to a climate-stable future. Since 2019, we have been members of [RE100](#), a global corporate renewable energy initiative that brings together hundreds of businesses committed to 100 percent renewable electricity. By achieving our 100 percent renewable electricity goal in our owned and operated facilities in 2021, we exceeded our Scope 1 and 2 emissions reduction goal.

In 2023, approximately 70 percent of the renewable electricity we procured in North America came from a wind [VPPA](#), which we signed in 2021 with renewable energy company [Enel North America](#). In 2023, we installed solar panels on one of our Canadian DCs and are currently exploring a solar array for a site in the United States. For the remainder of our North American and international operations, we purchase [EACs](#) from accredited tracking agencies and, where operationally feasible, from wind and solar energy sources. We procure electricity from renewable utility providers for some international locations.

Energy efficiency

We currently focus our energy management program on our North American stores. In 2023, we continued to roll out EMS to new stores in North America to better control our HVAC systems, reduce energy use, and improve guest and employee comfort. As of the end of fiscal year 2023, we have installed EMS in 124 stores and continue to expand the program.

Climate Governance and Oversight

At lululemon, climate oversight is integrated at all levels of governance. See more in [Impact Governance](#). In 2023,

the CEO and Executive Leadership team prioritized climate as an enterprise imperative, with direct oversight and engagement on our roadmap to 2030 and associated multi-year investment plans. Our Climate Council is a cross-functional leadership team that is accountable for contributing to enterprise shifts and enacting change in their respective functions. The Responsible Supply Chain Steering Committee oversees development and operationalization of our supplier climate and energy roadmap, as well as tool development to support supplier decarbonization.



Enel North America's Azure Sky wind farm, United States.

Product and Material Innovation

Why It Matters

Product manufacturing uses natural resources and can impact climate, biodiversity, water quality and quantity, soil health, and animal welfare. Creating products with preferred materials and end-of-use solutions is a core strategy for reducing adverse environmental impacts and working toward long-lasting product solutions.

SDGs supported

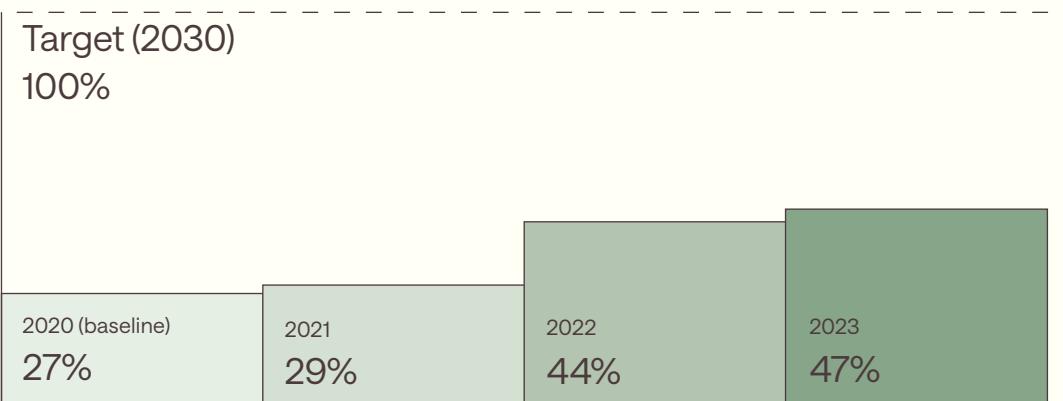
- ∞ 12 Responsible Consumption and Production
- ⌚ 13 Climate Action

Goal

Make our products with preferred materials and end-of-use solutions^{54, 55}

- 100% of products procured containing preferred materials by 2030

% of products procured containing at least 25% preferred materials by weight



In 2023, we focused on continuing to increase the percentage of preferred materials used in existing products. To count toward this goal, products must contain at least 25 percent preferred materials by weight, with transparently communicated attributes defining preferred materials. Thirty-eight percent of our products were procured with more than 50 percent preferred materials, up from 29 percent in 2022, and 9 percent were procured with between 25-50 percent preferred materials.

See more in [Nylon](#), [Polyester](#), [Cotton](#), [Animal-derived Materials](#), and [Forest-based Materials](#). See more about end-of-use solutions in [Circularity](#) and [New Guest Models](#).

⁵⁴ Our footwear line was launched in 2022. We include footwear in our 2023 metrics in this Product and Material Innovation section. The comparative volume of footwear to our apparel and accessories products is small and does not affect our goal progress or target.

⁵⁵ Data in this Product and Material Innovation section is from February 2023 to January 2024.

⁵⁶ Trims are not included in product data in this Product and Material Innovation section; they are estimated to represent a small portion of our overall portfolio. We are working to establish processes and systems to track and report on the use of preferred materials in our trims.

Products containing preferred materials⁵⁶

Disclosure	2020	2021	2022	2023
Products procured containing 25-50% preferred materials	12%	12%	15%	9%
Products procured containing >50% preferred materials	15%	17%	29%	38%

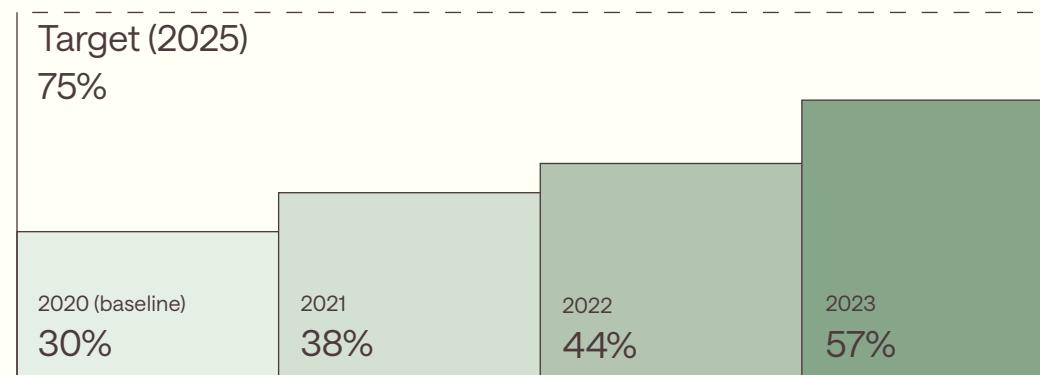


Goal

Achieve preferred materials for our products.

- 75% of total preferred materials procured for our products by 2025

% of total preferred materials procured for our products



We continue to increase the percentage of preferred materials procured for our products year over year. In 2023, our recycled polyester was at 61 percent (up from 54 percent in 2022). Recycled and renewable nylon remains the biggest challenge to scale. We have made investments with [Geno](#), [Samsara Eco](#), and [ZymoChem](#), and work closely with them to help drive innovations that can scale in the future. Given the complexity of this work, the timeline to scale these initiatives challenges our ability to reach our full 75 percent preferred materials goal by 2025. We celebrate the advancements being made, continue to support our innovation collaborators, and will provide updates on our progress.

See more in [Nylon](#), [Polyester](#), [Cotton](#), [Animal-derived Materials](#), and [Forest-based Materials](#).

Preferred fibers used in products as a % of all fibers sourced

Material	Type	2020	2021	2022	2023
Polyester	Recycled	36%	43%	54% ⁵⁷	61%
	Renewable	0%	0%	<1% ⁵⁸	0%
Cotton	Responsibly sourced	36%	37%	19%	46%
	Responsible/traceable	37%	50%	75%	78%
Animal-derived materials	Responsible Down Standard	100%	100%	100%	100%
	Regenerated cellulosics (excluding packaging materials)	Assessed as sourced responsibly ⁵⁹	100%	100%	100%
Natural rubber (excluding footwear)	Forest Stewardship Council™ (FSC) certified	8%	74%	100%	100%

⁵⁷ The 2022 recycled polyester number (54%) has been corrected from what we reported in our 2022 Impact Report (55%). This update does not affect our overall polyester target.

⁵⁸ We purchased renewable nylon in 2022 for use in our 2023 limited global pilot of plant-based nylon in our Swiftly and Metal Vent Tech Short Sleeve Shirts.

⁵⁹ We consider our regenerated cellulosics fibers to be sourced responsibly when our suppliers are verified through [CanopyStyle Audits](#).

What We're Doing

We have created fiber-specific targets that directly support our overarching Impact Agenda goals. See more in [Nylon](#), [Polyester](#), [Cotton](#), [Animal-derived Materials](#), and [Forest-based Materials](#).

We remain focused on developing materials with lower environmental impacts, including those that are made of recycled, renewable, or [responsibly sourced](#) content, or that use lower-impact manufacturing processes. We are also committed to responsibly sourcing agricultural fibers (e.g., cotton) in a way that reduces environmental impacts and respects human rights, and to adopting appropriate industry traceability standards.

We assess material production and product impacts using multiple sources, including the [Higg Materials Sustainability Index](#) (Higg MSI) and [Higg Product Module](#) (Higg PM), [Preferred Fiber and Material Matrix](#) (PFMM),⁶⁰ and select [Life Cycle Analysis](#) (LCA) methodologies. We also partner with suppliers to conduct LCAs on products and materials, and continuously strive to improve and fill data gaps in our materials portfolio. Through a multi-year initiative, we are developing tools and processes for evaluating the environmental impact of products and materials at scale. This will allow our product creation and innovation teams to improve their ability to optimize product design to meet a product's intended function, reduce impacts, and comply with future regulatory requirements.

Our largest procured fiber by weight is polyester, followed by nylon, then cotton. Where operationally feasible, we are converting to recycled and renewable synthetic fibers, as well as responsibly sourced cotton and other natural fibers. For example, we aim to source 100 percent of our recycled fibers from [Global Recycled Standard](#) (GRS) or [Recycled Claim Standard](#) (RCS) certified suppliers by 2025.

In 2023, we began working with [TextileGenesis](#), a preferred materials tracing platform, to verify adopted preferred materials in our products. We started with recycled polyester and nylon, as well as regenerated cellulosics, and began enrolling our supply chain in

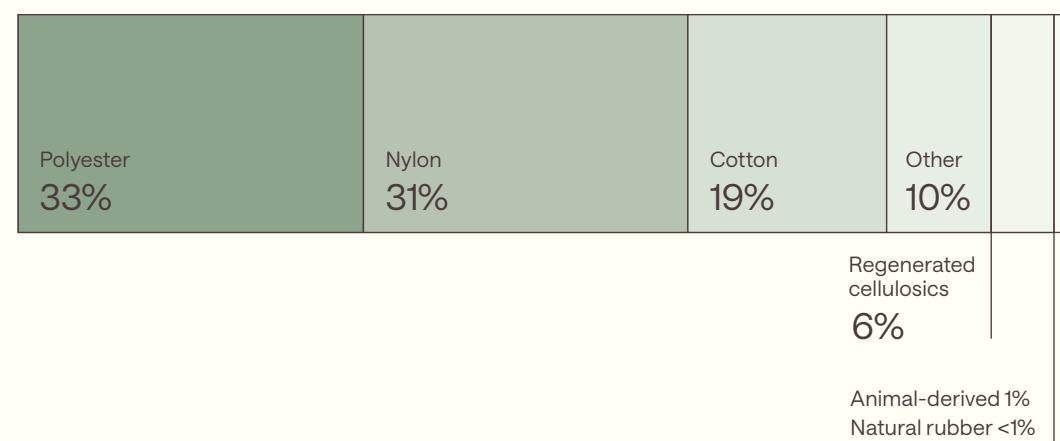
this platform. This initiative will support the scale of our preferred materials work. See [Traceability](#) for more information.

The development of preferred materials is complex, requiring years of investment in research and development. Industry engagement is an essential component of this work. Our goal is to find scalable, long-term solutions, while taking incremental steps to contribute to shifting the industry away from virgin materials. Examples of our collaborations include Geno, Samsara Eco, and [Textile Exchange](#). See [Plant-based Nylon](#) and [Recycled Nylon](#).

Through Textile Exchange, we participate in expanding the use of preferred materials across the industry. In 2023, we co-sponsored research into best practices for [regenerative agriculture](#), sponsored the kick-off of an industry-wide nylon LCA study, participated in Textile Exchange's [Materials Benchmark](#), and funded a landscape analysis report on [The Future of Synthetics](#).

See the [Partnerships & Memberships](#) page of our website for a full list of partnerships.

Key fibers used in our products (% by weight)⁶¹



⁶⁰ The Preferred Fiber and Material Matrix (PFMM) assesses the trade-offs of different sustainability certifications, initiatives, and branded materials. Owned and managed by Textile Exchange, it shares data and guidance on over 65 of the most common materials, programs, and initiatives.

⁶¹ "Other" includes elastane (8%), other fibers not identified (1%), and various other fibers, including synthetic rubber/foam (1%). Regenerated cellulosics do not include packaging materials and natural rubber does not include footwear.

Nylon

Targets:

- Launch alternative nylon solutions by 2025.⁶²
- Source 100% renewable or recycled nylon for our products by 2030.

% renewable or recycled nylon

Baseline year	Baseline	2023 results	Target	Target year
2020	2%	6%	100%	2030

Nylon makes up a large portion of our materials and is essential in providing lululemon products with their characteristically unique performance, feel, and quality. Our aim is to find alternative nylon solutions to nylon 6 and nylon 6,6 that provide the same characteristics but reduce dependence on fossil fuels. The challenge is finding readily available sources of preferred nylon that can be easily scaled. We are focusing on investing in innovations that can aid in the scaling of alternative nylon, to help reach our target to transition from virgin nylon fiber to 100 percent renewable, recycled, or newly created fiber.

Plant-based nylon

Our initial approach is to help bring plant-based nylon to scale. Plant-based nylon focuses on a bio-based solution for caprolactam, the precursor to nylon 6. It offers the same quality, look, and feel of nylon. We have a multi-year investment with Geno, a leader in biotech innovation and materials, to incorporate renewably sourced materials into our product lines, including plant-based nylon. We are working closely with Geno to optimize the overall environmental benefits of plant-based nylon and scale its use to help achieve our 2030 product targets.

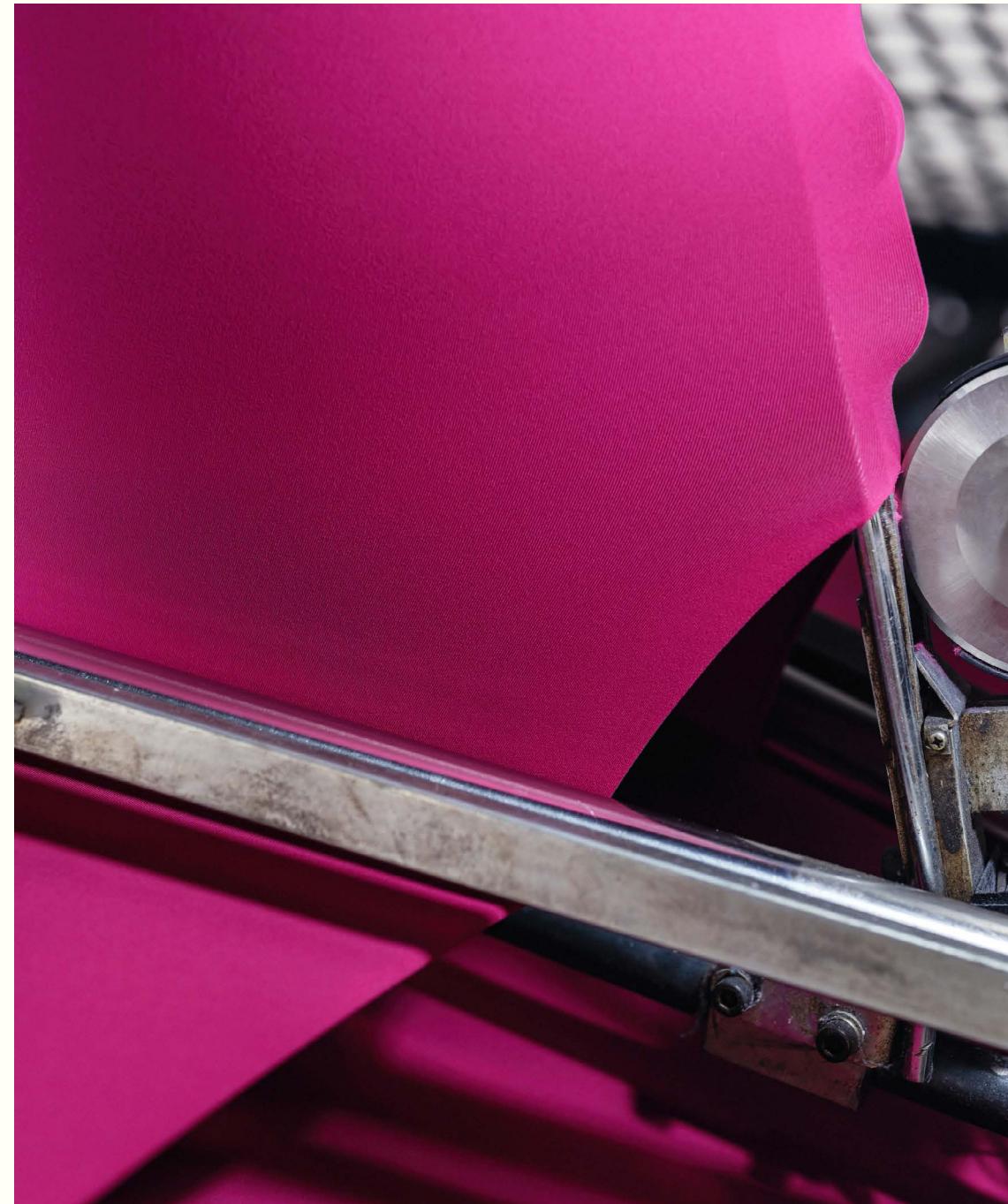
In 2023, we launched a limited global pilot of our Swiftly and Metal Vent Tech Short Sleeve Shirts with plant-based nylon 6. These Swiftly and Metal Vent Tech products also contained recycled polyester and elastane with 30 percent plant-based content. With every pilot and launch, we continue to learn about and adapt new innovations.

We have also invested in biomanufacturing firm ZymoChem, which has technology that uses proprietary, carbon-conserving microbes to convert renewable feedstocks into bio-based materials. This technology will play a pivotal role in helping us scale our plant-based nylon supply. We are also exploring verification methods to understand how to responsibly scale sourcing and commercialization of plant-based nylon.

Recycled nylon

We have incorporated recycled nylon 6 in select product styles and are exploring opportunities to convert additional styles over the next few years. Our plan is to scale adoption through both existing and emerging solutions such as textile-to-textile recycling.

In 2023, we announced a multi-year collaboration with Australian enviro-tech startup, Samsara Eco. Through this partnership, we unveiled one of the world's first enzymatically recycled nylon 6,6 products—a proof-of-concept sample of our Swiftly Tech Long-Sleeve Top—marking a key milestone in textile-to-textile recycling.



Polyester

Target:

- Source at least 75% recycled polyester by 2025.

% recycled polyester

Baseline year	Baseline	2023 results	Target	Target year
2020	36%	61%	75%	2025

In 2023, 61 percent of our total procured polyester was made from recycled polyester, primarily from post-consumer recycled polyester from plastic bottles. However, relying on plastic bottles as a feedstock for recycled polyester is only an interim step. We are looking at alternative feedstock sources such as post-consumer textiles and other plastic waste that is currently landfilled and historically hard to recycle. See [Circularity and New Guest Models](#) for more information on our innovations in textile-to-textile recycling.

Increasing the adoption of recycled polyester is a priority for our cross-functional teams. We have converted high-volume product styles to recycled polyester and are working to update remaining styles to use recycled polyester as well. In 2023, we continued to drive progress toward our recycled polyester goal by converting liners as well as Scuba and Steady State garments. In early 2024, as part of our partnership with Samsara Eco, we launched a limited edition [Packable Anorak](#), our first product made with enzymatically recycled polyester.

We also use elastomultiester fiber, a bi-component yarn often made with a mix of recycled polyester and/or plant-based polyester. We are working with our suppliers to maximize the recycled content in these yarns.

In 2023, we also continued our participation in the [2025 Recycled Polyester Challenge](#). This joint initiative between Textile Exchange and the UN Fashion Industry Charter for Climate Action aims to increase the uptake of recycled polyester in the industry.

Cotton

Target:

- Source 100% of cotton from [responsible sources](#) by 2025.

% responsibly sourced cotton

Baseline year	Baseline	2023 results	Target	Target year
2020	36%	46%	100%	2025

Our responsibly sourced cotton portfolio grew in 2023. This progress was due to key suppliers completing onboarding and enrollment into our approved responsible sourcing initiatives.

We are working to further adopt responsibly grown cotton platforms in our portfolio, including initiatives that provide greater traceability such as the US Cotton Trust Protocol, certified organic, and regenerative organic cotton chain of custody models. Our aim is for all cotton fiber used in products to be sourced from Australia, Brazil, Peru, or the United States.

Animal-derived materials

Target:

- Trace or certify as [sourced responsibly](#) 100% of our animal-derived materials by 2025.

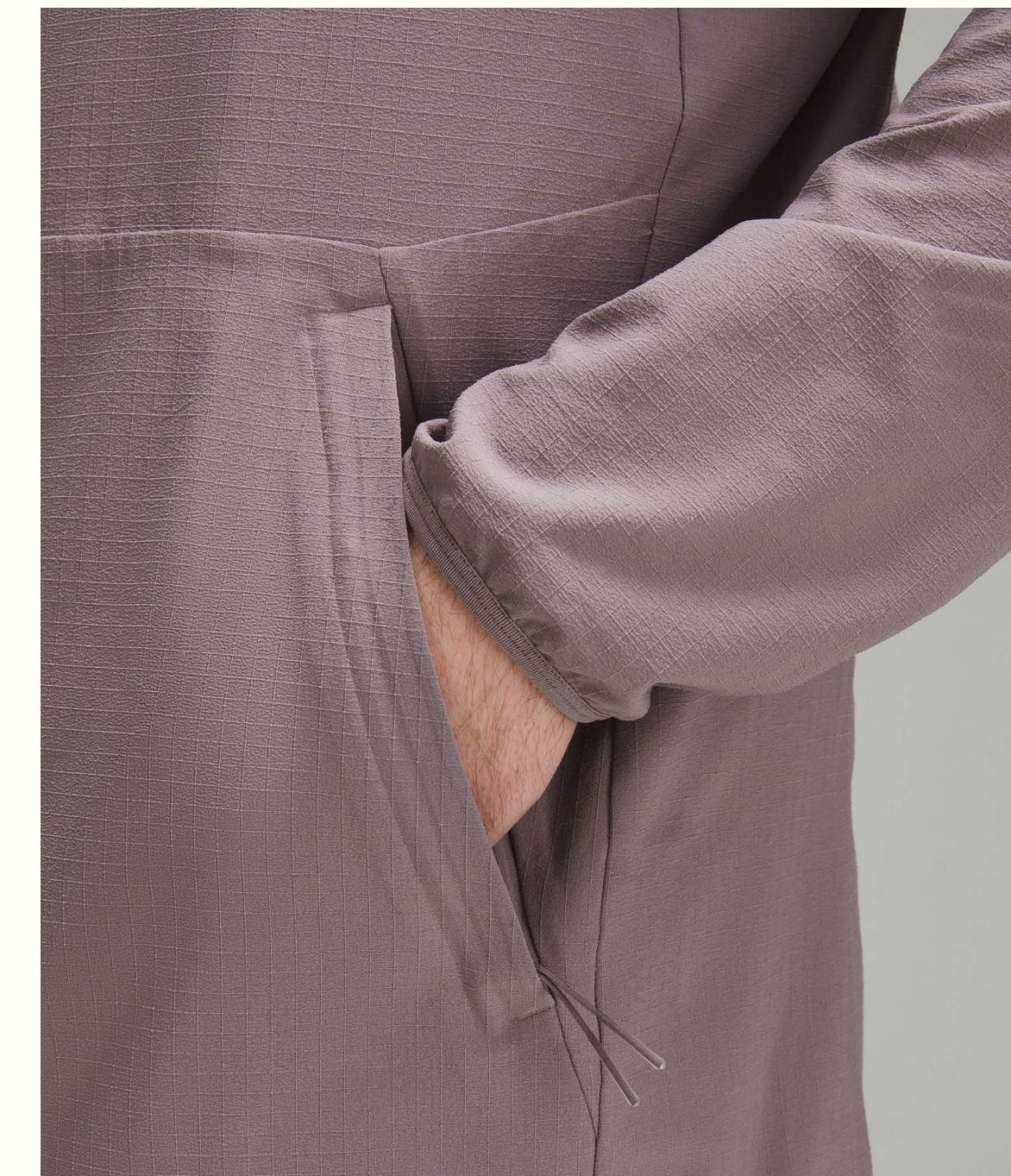
% traceable or certified animal-derived materials

Baseline year	Baseline	2023 results	Target	Target year
2020	37%	78%	100%	2025

Only a small amount of our overall material portfolio (approximately 1 percent by weight) utilizes animal-derived fibers, including down, wool, cashmere, and silk. In 2023, 78 percent of our animal-derived fibers came from certified or traced sources. All down is sourced from [Responsible Down Standard \(RDS\)](#)-certified suppliers.

By 2025, we aim to source 100 percent of animal fibers from suppliers certified to the following standards: [Responsible Wool Standard \(RWS\)](#), [Responsible Alpaca Standard \(RAS\)](#), and the [Good Cashmere Standard \(GCS\)](#) by Aid by Trade Foundation.

In 2023, we further aligned our wool, alpaca, and cashmere sourcing with these standards. We plan to continue assessing responsible sources for the small amount of silk in our portfolio. We do not use animal-based leather in our products and we continue to explore leather alternatives.



Packable Anorak made with enzymatically recycled polyester.

Forest-based materials

Target:

- Certify or assess by a third party 100% of our forest-based materials are sourced responsibly⁶³ by 2023.

% certified or third-party-assessed forest-based materials (excluding packaging materials from regenerated cellulosics and footwear from natural rubber)

Baseline year	Baseline	2023 results	Target	Target year
2020	52%	100%	100%	2023

We met this target in 2022 and have maintained it since. We use regenerated cellulosic materials—such as rayon/viscose, lyocell, and modal—as well as natural rubber in some of our products. One hundred percent of our regenerated cellulosic fibers are sourced responsibly. We use [CanopyStyle Audits](#) to verify suppliers are at low risk of sourcing from ancient or endangered forests. In 2023, we also implemented a third-party system, [TextileGenesis](#), as an additional verification step to continuously monitor and certify regenerated cellulosics data.

In 2023, all yoga mats made with a mix of natural and synthetic rubber continued to use [Forest Stewardship Council™ \(FSC\)](#) certified natural rubber (FSC® N002716).

Traceability

Traceability is foundational to building a more resilient supply chain. Increasing visibility into our upstream supply chain allows us to make more informed sourcing decisions, remain in compliance with new and upcoming regulations, and determine whether lululemon suppliers are upholding our standards and policies. This creates an opportunity to proactively identify and work to mitigate risks before they enter our supply chain.

Our traceability program prioritizes high-volume materials and specific categories. We are expanding our traceability work to strengthen due diligence processes and proactively identify and mitigate risks in our suppliers' own upstream supply chain. To support this process, we collect documentation to help us

verify the chain of custody of materials in a finished product.

In 2024, we will implement a technology solution to help us more easily scale traceability work across the supply chain. This will enable us to track, in a centralized database, key data points, including the origin of raw materials, suppliers, [subcontractors](#), and manufacturing facilities involved in the production of all lululemon products. The solution is designed to support chain of custody validation, create enhanced visibility, and enable proactive risk monitoring of our entire supply chain, from raw material extraction to the final product assembly.

Nature

The rate of global change in nature has been unprecedented over the last 50 years, with ecosystems and biodiversity showing rapid decline.⁶⁴ As a company with dependencies on nature, we are working with a third party to outline an approach to managing our impact on nature, focusing on the interconnection between climate change and biodiversity, forest and soil health, and water resources. This will inform and be integrated into our next Impact Agenda. Our current actions include:

- Using Forest Stewardship Council™ (FSC) certified materials in yoga mats made with natural rubber
- Continuing to not use animal-based leather
- Using CanopyStyle audits to enable responsible sourcing of cellulosic-based fibers
- Committing to sourcing 100 percent of cotton from responsible sources by 2025
- Implementing the Zero Discharge of Hazardous Chemicals (ZDHC) Manufacturing Restricted Substances List ([MRSList]; see [Water and Chemistry](#) for more about the ZDHC MRSList)

Going forward, we plan to explore regenerative agriculture sourcing projects in our existing supply chain.



⁶³ We consider our regenerated cellulosics materials to be sourced responsibly when our suppliers are verified through CanopyStyle Audits, and our natural rubber to be sourced responsibly when it is Forest Stewardship Council™ (FSC) certified..

⁶⁴ [The Global Assessment Report on Biodiversity and Ecosystem Services](#).

Circularity and New Guest Models

Why It Matters

Over the last 15 years, global textile consumption has doubled, while the number of times an average garment is worn is reported to have dropped by 40 percent.⁶⁵ The result has been an increase in textile waste. Making progress in this area requires collaboration throughout the apparel industry to develop and implement transformative solutions in circular business models, including resale and repair, and advancements in innovations such as textile-to-textile recycling.

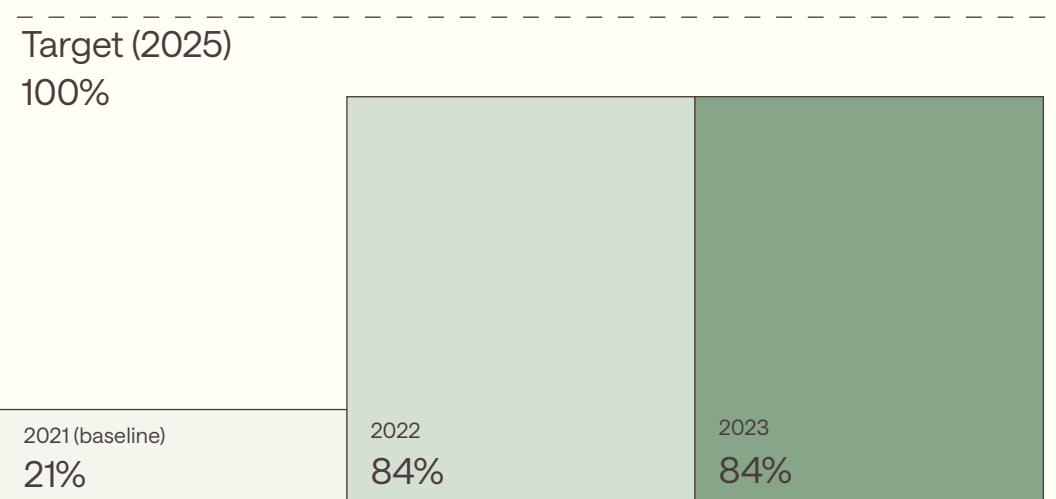
SDGs supported

∞ 12 Responsible Consumption and Production

Goal

Offer our guests new business models⁶⁶ that extend the use of products—reaching 100% of North American guests and piloting internationally by 2025.

% of stores in North America offering Like New⁶⁷



Eighty-four percent of North American stores offered [Like New](#), our trade-in program, in 2023. See more in [Extending Product Use](#). The program is offered in stores across the United States, and we continue to evaluate options for new business models for guests in Canada. We are in the process of reviewing our target as part of the next iteration of our Impact Agenda.

In 2023, as part of our overarching goal to offer guests regional opportunities to extend the use of their products, we rolled out repair programs in the majority of stores in China Mainland and Europe. We also ran repair pilots in Australia and New Zealand. All repairs are completed by local repair partners who have been trained to align with our quality standards. In 2024, we plan to expand repair programs to more stores in Australia, Hong Kong SAR, New Zealand, and the United Kingdom.

⁶⁵ Fashion for Good (January 2024), [A Growing Textile Waste Landscape](#).

⁶⁶ New business models refer to offerings for guests to extend the use of their products (e.g., initiatives related to product care, reuse, and repair) and help progress toward a circular economy.

⁶⁷ Excludes outlets and pop-ups.



Our Circularity Approach

Our aim is to work to build a more circular business by designing solutions at key stages of the product life cycle.

Design for Circularity

Advance product design to reflect product circularity.

- Partnership with [circular.fashion](#) including:
 - Creation of circular design pilot/trainings
 - Development of circular design guidelines in 2024, with engagement from sorting and textile-to-textile recycling partners

Use less material to design waste out of products.

- Future material reduction initiatives toward designing waste out of products

Extend Product Use

Offer guests opportunities to extend the use of their products, including resale and repair options.

- Like New to trade in and resell products
- Repair programs (e.g., seams, zippers) to extend product use and provide repair options

Donate products through reputable partners.

- [Good360](#) partnership to donate damaged products

Create for Next Life

Advance textile-to-textile recycling, downcycling when necessary.

- Collaborations toward achieving textile-to-textile recycling at scale
- [Samsara Eco](#) and [Debrand](#) partnerships aimed at developing apparel-recycling technologies

What We're Doing

Designing for circularity

We design products to be functional, with long-lasting quality. Incorporating circular design principles is a critical step in extending the use of products and enabling end-of-use solutions. In 2023, we partnered with [circular.fashion](#) to run a circular design pilot and provide circular design training and workshops to over 600 employees. In 2024, we plan to develop circular design guidelines for our Product and Supply Chain teams and cross-functional partners.

To advance textile-to-textile recycling across the industry, pre- and post-consumer textiles could serve as feedstock for new apparel products, replacing virgin fibers. This would require initiatives such as product design for end-of-use, convenient and financially viable textile collection and sorting, and scaled textile-to-textile recycling for multiple fiber blends (see [Textile-to-textile recycling](#)). Making this a reality will require large-scale consumer behavior, infrastructure, and policy changes. We are engaging with other brands through [Fashion for Good](#), [circular.fashion](#), [Accelerating Circularity](#), [GIZ](#), and [Global Fashion Agenda](#), and continue to assess future collaborations.

Extending product use

We identify ways for our products to retain value and extend product use. Our [Like New](#) trade-in program, available at all stores (excluding outlets and pop-ups) across the United States, represents a key opportunity to extend product use. Through Like New, we offer guests the opportunity to trade in certain types of gently used gear. We then sell these products—which are verified, quality-checked, and cleaned—through our online [resale shop](#) (some items may be recycled if criteria are not met). By purchasing lululemon Like New over brand new, guests are supporting a circular ecosystem where the use of existing products can be extended. We reinvest 100 percent of Like New profits into sustainability initiatives.⁶⁸ We continually review the potential of resale models for different market locations.

See page 47 for information on repair programs.

Creating next life

In 2023, we resold, donated, recycled, or downcycled over 90 percent of excess products and damages (e.g., returns, in-store damages, quality issues).

Through their vetted network of recycling partners, [Debrand](#) recycles our products into next-life solutions such as insulation and stuffing for mattresses, furniture, cars, and sporting equipment. If products cannot be recycled, downcycled, or reused, they are processed in a waste-to-energy facility.

Textile-to-textile recycling

We envision a future in which apparel at the end of its use is collected, sorted, prepared, and recycled into new products. However, the infrastructure for textile-to-textile recycling is still in its infancy. Our teams work to identify potential solutions to accelerate progress toward a circular ecosystem.

In 2023, we collaborated with Samsara Eco and Debrand on textile-to-textile recycling projects:

- **Samsara Eco:** We worked toward recycling our apparel back into new products. See [Product and Material Innovation](#) for more details.
- **Debrand:** Together, we ran circularity trials where Debrand sent damaged lululemon products to textile-to-textile recyclers to understand their recycling capabilities and review ways to scale automated sorting technology.



Water and Chemistry

Why It Matters

The textile industry uses large quantities of freshwater in its production processes, including farming, fabric dyeing, and garment washing. We believe the industry needs to reduce its reliance on freshwater resources, particularly in regions already facing water stress or scarcity.

Water quality is affected by chemical use and microfiber generation. Hazardous chemicals used in textile production can leach into waters, affecting human health, while microfibers that shed from textiles may contribute to water pollution.⁶⁹ To address these issues, it is important to engage in responsible chemicals management, effective wastewater treatment, and proactive design innovations in fabric treatments.

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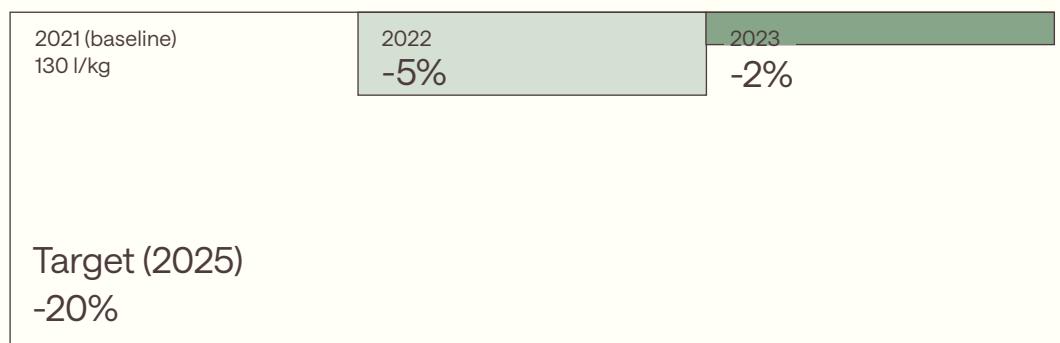
- ∞ 12 Responsible Consumption and Production

Goal

Reduce freshwater use intensity with our priority wet process suppliers.

- 20% reduction of freshwater use intensity by 2025⁷⁰

% reduction of freshwater use intensity



In 2023, the freshwater use intensity of our priority wet process suppliers remained slightly below our baseline. This metric is based on water use across all supplier facility customers (i.e., both lululemon and non-lululemon products). Water intensity for supplier facility production increased from the previous year, largely due to decreases in production. This led to lower efficiencies. We remain committed to supplier water reduction initiatives. We are in the process of reviewing our target as part of the next iteration of our Impact Agenda.

Through our direct on-site engagement with our priority wet process suppliers, we have identified improvements our suppliers have made to increase water efficiency, including:

- Replacement of traditional dyeing machines with low-bath-ratio dyeing machines
- Process optimization to increase use of reused water in production
- Water management to improve capacity load utilization of dyeing machines and repair of leaks

See more in [What We're Doing](#).

Goal

Implement ZDHC Manufacturing Restricted Substances List (MRSList)⁷¹ at priority suppliers.

- 100% of priority suppliers that have implemented ZDHC MRSList by 2022

We met this goal in 2021 and have maintained it since. We track implementation through suppliers generating ZDHC Performance InCheck reports. These performance reports allow suppliers to check their chemical inventory against the ZDHC MRSList.

See more in [Chemicals Management](#).

⁶⁹ ZDHC Roadmap to Zero and The Microfibre Consortium.

⁷⁰ Water data is reported on a calendar year basis. In 2023 and early 2024, lululemon conducted 21 on-site verifications of facility-provided water data from 2021 onwards and determined that a revision to our baseline was required in line with our baseline policy to reflect the most accurate and up-to-date information. Our baseline has been updated from 134 l/kg to 130 l/kg; this change does not affect our goal or progress in prior years.

⁷¹ ZDHC is a multi-stakeholder organization for the fashion industry aimed at eliminating harmful chemicals from the global supply chain through Roadmap to Zero, its implementation program. The ZDHC MRSList aims to restrict the intentional use of harmful substances to help enable manufacturing processes in the apparel, textile, leather, and footwear industries to switch to alternatives by using the ZDHC Gateway.

What We're Doing

Water

We continue to build off the work we did in 2021 with RESET Carbon, in which they used data from our supply chain and the [World Resources Institute \(WRI\) Aqueduct Water Risk Atlas](#) to prioritize suppliers with high production and water reduction potential, as well as those located in high-risk water regions. These priority wet process suppliers are primarily Tier 2 suppliers.

We work with priority wet process suppliers to set, advance, and verify water reduction targets. Examples of our engagement with suppliers include on-site visits to verify water data and implement action plans and footprint analysis. Currently, 97 percent of our priority wet process suppliers have water reduction targets. Half of our priority suppliers have also engaged with Aii to implement the new water component of the CLP. The CLP focuses on opportunities for freshwater reduction, including water efficiency and process optimization, technology upgrades, and increased water recycling capabilities.

In 2023, we conducted on-site verification of water data at 21 of our priority wet process supplier facilities. This on-site verification process included multi-year data reviews and evaluations of completed or pending actions for freshwater reductions in the facility. It resulted in the identification of a number of improvements made by our priority wet process suppliers (see [page 50](#)).

As part of our ongoing efforts, we are expanding our work to understand the impact of our supply chain on river basins in addition to specific supplier facility locations.



Fabric washing process at supplier facility, Vietnam.

Chemicals management

Our chemicals management program focuses on improving chemical use throughout our value chain. Since rolling out our updated Vendor Environmental Manual in 2022, we have been mapping Tier 1, Tier 2, and subcontractor suppliers that use chemicals in production, and tracking their progress on meeting our chemical management requirements.

Since meeting our goal to implement the ZDHC MRSL at 100 percent of priority suppliers, we've continued to support implementation across our supply chain. As of July 2024, more than 150 supplier facilities had implemented the ZDHC MRSL. We continue to work with suppliers to help them align with the following:

- Source chemicals that adhere to the ZDHC MRSL.
- Establish a chemical inventory and share the percentage of chemicals that meet the ZDHC MRSL through a ZDHC Performance InCheck report.
- Twice each year, perform wastewater and sludge testing according to the ZDHC Wastewater Guidelines, then share test results with lululemon through a ZDHC ClearStream report.⁷²

Suppliers must also comply with the lululemon Restricted Substances List (RSL). Our RSL includes chemicals that are restricted or banned from lululemon products based on worldwide regulatory standards and the [Apparel and Footwear International RSL Management Group \(AFIRM\) RSL](#). The lululemon RSL is regularly monitored and updated to incorporate changes in evolving manufacturing chemistry, government regulations, industry best practices, and expanding scientific knowledge.

To continue to elevate chemicals management, we became a ZDHC Signatory in 2023. As a ZDHC Signatory brand, we completed the ZDHC Brand to Zero Assessment to assess our performance on implementing ZDHC guidelines in our supply chain. Through the assessment, which includes a questionnaire and third-party audit, we earned ZDHC's Accelerator Level certification in 2024 for our work in 2023. According to ZDHC, Accelerator brands are committed to ZDHC guidelines and their implementation in supply chains and are working toward goals set for sustainable chemical management.

In 2024, we plan to continue expanding our chemicals management program and working with suppliers to improve their ZDHC MRSL and wastewater conformance, and their overall chemical management systems. To help our suppliers continually advance robust chemical management systems in their facilities, we will roll out training on ZDHC's Chemical Management System's Technical Industry Guide.

Microfibers

Microfibers are tiny fibers that are released from natural, synthetic, and man-made cellulosic textiles throughout the product life cycle.⁷³ Both the science behind the major factors leading to microfiber release, and the potential environmental impacts of microfibers, are still under research and not fully understood. In conjunction with the industry, we are working to better understand this issue. There are various testing frameworks for determining microfiber release and its potential environmental impacts. We are engaging with peers and industry associations, including [The Microfibre Consortium \(TMC\)](#), to converge on one standard, science-based methodology and advance improvements.

Examples of our work include the following:

- In 2018, lululemon participated in a cross-industry committee to develop a globally recognized [American Association of Textile Chemists and Colorists \(AATCC\)](#) testing methodology. This created an approach to quantify the amount of microfibers released from materials and provided a better understanding of fiber loss that occurs during garment washing.
- Since 2019, we have been a signatory of TMC to collaborate and develop practical solutions to address microfiber release. As part of this work with TMC, we tested lululemon fabrics. We shared the results with the TMC Data Portal, which brings together testing results of all signatories to advance microfiber research. We plan to continue working with TMC to help advance their process for ranking fragmentation levels.
- In 2023, TMC and ZDHC partnered on a joint wastewater task team to establish common requirements for manufacturing facilities to test and mitigate fiber fragmentation in wastewater. As a member of this task team, we worked with TMC, ZDHC,

and other TMC Signatory brands to include microfiber mitigation in the next version of the ZDHC Wastewater Guidelines coming out in 2024. We require supplier facilities generating industrial wastewater to meet these ZDHC Wastewater Guidelines and to undergo biannual wastewater testing. We work closely with suppliers' facilities to determine whether they have appropriate capabilities to comply with guidelines.

Going forward, we plan to continue engaging with peers and stakeholders on identifying industry-wide goals for fabric shedding reduction and aligning on clear consumer communications on microfibers, rooted in reliable data and methodologies.

⁷² ZDHC ClearStream is a report of a supplier's wastewater performance, as tested against the ZDHC Wastewater Guidelines.

⁷³ As defined by [The Microfibre Consortium](#), a non-profit organization that aims to reduce microfiber loss and release to the environment.

Packaging and Waste

Why It Matters

Packaging serves many purposes, including damage-free product delivery and communication of product features. However, according to the Organisation for Economic Co-operation and Development (OECD), globally there is now twice as much plastic packaging waste as there was 20 years ago, and the majority ends up in landfills. Only 9 percent is reported to be successfully recycled.⁷⁴ Further, each stage of the packaging life cycle has environmental impacts, from manufacturing and transportation to end-of-life disposal or recycling. This is why reducing packaging, transitioning to preferred materials, and identifying opportunities for reuse, recycling, or composting are important issues.

SDGs supported

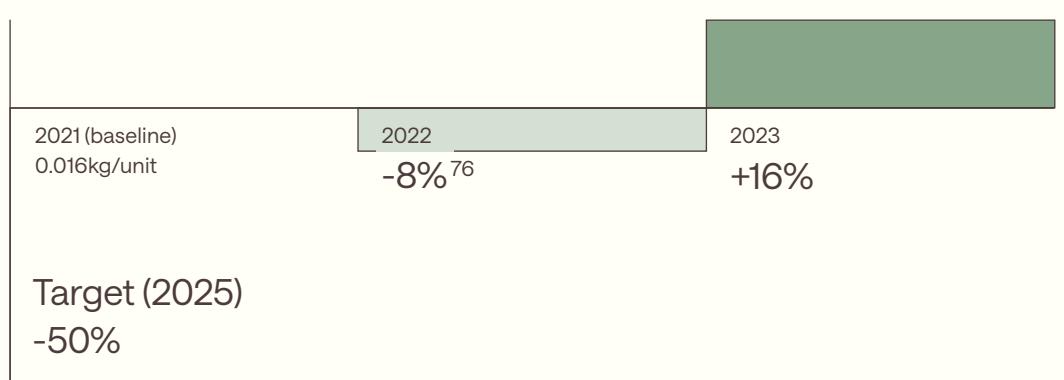
∞ 12 Responsible Consumption and Production

Goal

Reduce single-use plastic packaging per unit.

- 50% intensity reduction of single-use plastic packaging by 2025⁷⁵

% reduction of single-use plastic packaging intensity



In 2023, our packaging intensity increased, mainly due to variability in timing for ordering single-use plastic e-commerce mailers, including pre-ordering for future years. In 2022, we used surplus e-commerce mailers ordered in 2021, which resulted in a reduced amount of e-commerce mailers procured in 2022. We also pre-stocked a new distribution centre (DC) in 2023, which further increased the amount of e-commerce mailers ordered during the year.

To achieve our packaging goal, we are reducing the amount of single-use plastic packaging we use and transitioning to alternative materials such as paper. In 2023, we converted to paper mailers in Europe and advanced our work to optimize polybag use. We are also working to actively progress transport packaging initiatives and conducting internal trials in search of viable alternatives to single-use plastic packaging. Given the complexity of this transition at a global level, we are in the process of reviewing our target as part of the next iteration of our Impact Agenda.

⁷⁴ OECD (2022), Plastic Pollution is growing relentlessly as waste management and recycling fall short.

⁷⁵ Our product packaging refers to total packaging used. Our non-product packaging (e.g., e-commerce, transport) refers to total packaging procured. The metrics differ as we use the best available information for each type of packaging. Data is self-reported by suppliers. This data excludes our shoppers.

⁷⁶ In 2023, we improved our data collection and validation processes for packaging data. We have updated our 2022 performance (from -11% to -8%) to reflect these changes. This update does not affect our overall target.

What We're Doing

Packaging

We aim to advance the circularity of our packaging and optimize its use in our supply chain. To do this, we are guided by our internal Sustainable Brand Packaging Steering Committee, a cross-functional group responsible for overseeing progress toward our packaging commitments.

We also follow our Sustainable Packaging Principles, which support improved design and sourcing decisions. These principles outline our aim to work with suppliers that can provide preferred packaging materials, including those that include certified sources (e.g., Forest Stewardship Council™ (FSC), Sustainable Forestry Initiative, Global Recycled Standard, Programme for the Endorsement of Forest Certification) or contain at least 30 percent recycled content.

We also use life cycle analysis (LCA) to best understand the environmental footprints and impact of these materials. We are a member of the Sustainable Packaging Coalition (SPC). The SPC is a program of the non-profit GreenBlue, a membership-based collaborative that brings together stakeholders to make improvements to packaging sustainability.

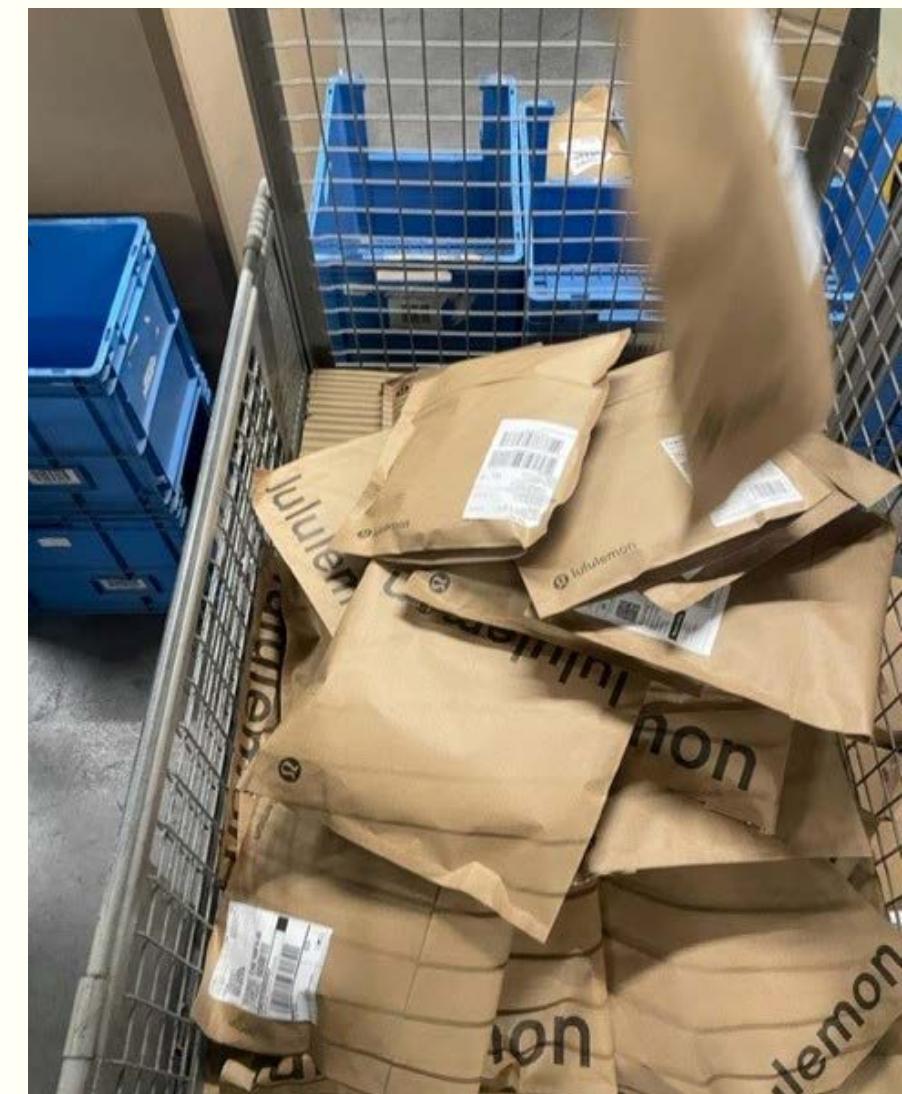
Zero-waste distribution centres

In alignment with the Zero Waste International Alliance definition, we define zero waste as consistently reusing, recycling, or composting over 90 percent of waste materials each year.

To do this work in our DCs, we focus on:

- Diverting more than 90 percent of waste from landfills through reuse, recycling, and composting
- Tracking and reporting waste data
- Striving for continuous improvement and innovation
- Establishing waste committees for all sites in North America (committees meet quarterly to collaborate on waste diversion best practices)

We are working toward having all North American DCs third-party zero-waste certified. Our North American DCs use TRUE (Total Resource Use and Efficiency), a zero-waste certification program. In early 2024, we received TRUE certification at three of our six⁷⁷ North American DCs (Delta, BC; Sumner, Washington, which is closing September 2024; and Columbus, Ohio). Our Melbourne DC has been third-party audited as a zero-waste facility.



Paper e-commerce mailers being sent from a third-party logistics provider, the Netherlands.

⁷⁷ As of year-end 2023, we had six North American DCs. In 2024, we added another North American DC. Our Sumner DC is scheduled to close in September 2024.

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Stakeholder Engagement

We directly engage stakeholders to understand their perspectives, share our impact work, and create shared value.

We take a multilateral approach and work with a range of people and organizations, including civil society, employees and Ambassadors, guests, investors and shareholders, suppliers, industry and peer companies, and the communities where we operate.

We define stakeholders as those who affect or are affected by our business operations. They hold us accountable, help us understand and progress on topics that matter, and support us in being proactive in the face of opportunities and challenges.

Stakeholder engagement informs our overall strategy and is undertaken throughout the year.

Who we engage	How we engage them
Civil society	We work with various non-governmental organizations (NGOs) on issue-specific initiatives on an ongoing basis, at local and global levels. To learn about our partnerships and memberships, see the Partnerships & Memberships page of our website.
Communities	We regularly engage with the communities where we operate, including local studios as well as athletes in our Ambassador program. By maintaining connections with these groups, we work to align with current issues and leading practices.
Employees	Annual employee pulse and inclusion surveys let us know what employees enjoy about lululemon and how we can improve. We also host People Networks , listening sessions, focus groups, and townhalls, and conduct additional periodic surveys.
Guests	We engage with our guests in a variety of ongoing ways, including in-store and online with our Educators , and through our Guest Education Centre , guest insights surveys, focus groups, emails, and social media channels.
Industry	We participate in multilateral industry associations and working groups on an ongoing basis to collectively make progress within our industry and collaborate with peer companies.
Investors and shareholders	On the Investors page of our website, we share key shareholder information and details on financial performance. We host quarterly earnings calls, hold investor summits, engage in individual dialogue on ESG topics, and participate in ratings and benchmarks.
Makers	We directly engage with people who make our products, during on-site facility assessments and through special projects. They can also reach out to us with any grievances through sustainablepartner@lululemon.com .
Suppliers	We engage with suppliers through onboarding, annual assessments, grant program capacity building, training, and supplier summits, as well as ongoing engagement with our sustainability, sourcing, and production teams, and more. To protect and support <u>makers</u> , we set up supplier expectations at the onset of every relationship to ensure a shared understanding of our Vendor Code of Ethics.

Material Topics

To identify and prioritize the issues that are most relevant to our stakeholders and our business, we assess our priority topics through materiality assessments. These assessments help us evolve our strategy, reporting, and actions as a company.

In our latest materiality assessment (2022), we used the following process:

- **Topic identification:** Conduct research to develop a list of potential material topics.
- **Stakeholder identification:** Review key stakeholder groups and organizations representing topics.
- **Topic prioritization:** Through internal and external engagement, group topics, define scope, and determine whether they should be focus areas, emerging topics, or immaterial.
- **Strategic alignment:** Align identified material topics to our Impact Agenda and initiatives underway.
- **Communication and disclosure:** Use insights from the materiality assessment to shape our environmental, social, and governance (ESG) disclosures, including the Impact Report.
- **Review:** Review annually to capture evolving priorities while delivering on our Impact Agenda.

In addition to the material topics listed in the table to the right, the following emerging topics were identified for lululemon: nature and biodiversity, and just and equitable transition to a low-carbon future. See details on nature and biodiversity in [Product and Material Innovation](#) and information on how we integrate our definition of wellbeing with a healthy planet in [Investing in people and planet](#). We continue to regularly monitor trends, share insights with stakeholders, and integrate new topics into our Impact Agenda, as appropriate.

In 2023, we also started to update our materiality approach in preparation for upcoming mandatory reporting requirements from the [Corporate Sustainability Reporting Directive](#), including initiating our first double materiality assessment (DMA).

Material topics	Definition	Impact Report section(s)
Chemistry	Management and improvement of the chemicals used throughout our value chain , particularly in making materials and products.	Water and Chemistry
Circular ecosystems	An enterprise model that eliminates waste and pollution, designs for durability and recyclability, and circulates products and materials. ⁷⁸	Circularity and New Guest Models
Climate change mitigation	Reducing GHG emissions and energy use in our owned and operated facilities (Scope 1) , associated indirect emissions (Scope 2), and supply chain (Scope 3).	Climate Action
Data privacy protection	Protection of guests, employees, and others in our organization's privacy and personal data.	Impact Governance
Diversity, equity, and inclusion	Fair treatment and compensation across all levels of the business. Designing inclusive products, services, and marketing.	Inclusion, Diversity, Equity, and Action
Employees, supplier employees, and community wellbeing (physical, mental, and social)	Physical, mental, and social wellbeing of employees, makers , guests, and communities.	Our Approach to Wellbeing Community Wellbeing Maker Wellbeing Frontline Wellbeing Employee Empowerment
Environmental pollution	Pollutants to air and water from operations, products, services, supply chain, and waste; their impacts on people and communities.	Climate Action Water and Chemistry
Ethical business practices and corporate governance	Implementation of policies and practices in line with business codes of conduct for ethical operations.	Impact Governance Proxy Statement
Fair and ethical labor practices	Protection and monitoring of the rights of our employees and makers in our supply chain, including operations and suppliers identified as having significant risk of forced or compulsory labor.	People Who Make Our Products
Human rights	Adherence to basic international standards aimed at securing dignity and equality for all, and embedding these standards throughout all levels of the organization, including business values and culture. These human rights are outlined in the International Bill of Human Rights .	Impact Governance People Who Make Our Products
Natural disaster and crisis response	Unforeseen extreme events (natural or human-driven) that result in significant damage, displacement, or loss of life. Includes the response to these events and relief efforts aimed at mitigating their impacts.	Frontline Wellbeing
Packaging and waste	Managing waste generated throughout our value chain, especially single-use plastic. Striving for resource efficiency in our packaging and materials.	Packaging and Waste
Preferred materials	Prioritization of materials that reduce impacts and increase benefits for climate, nature, and people (compared to the conventional equivalent), through a holistic approach to transforming production systems. ⁷⁹	Product and Material Innovation Circularity and New Guest Models
Product innovation and design	Taking a stewardship approach to the design of products and services, and working to create value through innovation and circularity.	Product and Material Innovation Circularity and New Guest Models
Supply chain traceability	Transparent processes and systems that help ensure suppliers uphold ESG standards, secure our license to operate, and build credibility with consumers.	People Who Make Our Products Product and Material Innovation
Water management and stewardship	Managing water in our operations and supply chain, especially in water-scarce regions where we operate.	Water and Chemistry

⁷⁸ This definition was adapted from the [Ellen MacArthur Foundation](#).

⁷⁹ This definition comes from the [Textile Exchange](#).

Climate Data

Timeframe

All emissions data provided is for the calendar year ending December 31, 2023.

Overview

lululemon captures, calculates, and reports direct and indirect (Scope 1 and 2) GHG emissions and Scope 3 GHG emissions in alignment with the Greenhouse Gas (GHG) Protocol, Corporate Accounting and Reporting Standard. See the [Assurance Statement](#) for more detail on the verification protocols we use.

In addition to the above selected methodologies, we use the Higg Facility Environmental Module (Higg FEM) and the Materials Sustainability Index (Higg MSI) data from Cascale. The Higg MSI helps us determine material and process impacts at a more granular level, and the Higg FEM provides us with facility data.

lululemon management is responsible for the collection, assessment, quantification, and reporting of energy and emissions data. For a list of Scope 3 calculation methodologies, see the table on [pages 61 to 63](#).

Organizational boundary

lululemon uses the operational control approach in conformance with the GHG Protocol to report energy consumption and direct and indirect GHG emissions, for all facilities where lululemon has operational control. There are no material sources (e.g., facilities, specific GHGs, activities, geographies) excluded from our reporting boundary for direct and indirect GHG emissions. For a list of our Scope 3 emissions inclusions and exclusions, see [Climate Action](#).

GHG emissions baseline and science-based targets

Our science-based targets were validated against the Science Based Targets initiative (SBTi) criteria and formally approved by SBTi. We use 2018 as the baseline for assessing progress toward our science-based targets.

Our Scope 1 and 2 science-based target aligns with limiting global temperature increases to 1.5°C. In 2024, we updated our Scope 3 target as part of our target re-validation process with SBTi to include all of GHG Protocol Category 1 (with the exclusion of "other purchased goods and services," which relate to non-product spend) and Category 4. This exceeds the SBTi requirement of including at least two-thirds Scope 3 emissions.

lululemon is a growth company, and in 2019, we set an SBTi-approved economic intensity target using the GEVA (GHG emission per unit of value-added) methodology based on a unit of value added (revenue from operations). In 2024, we updated the denominator of our economic intensity target metric from revenue to gross profit to align with the latest SBTi requirements. We have updated our baseline and prior year progress to reflect these changes, and made other methodology enhancements, including data improvements and updates to emissions factors.

Uncertainty

While we work to use the most up-to-date standards, calculation approaches, and best available data, GHG emissions quantification is subject to inherent limitations and measurement uncertainty. A key element of our climate approach is reducing the level of uncertainty in our GHG emissions data by enhancing frequency and granularity; when we are able to more accurately track data, we can be more targeted with interventions.

Summary of Scope 1, 2, and 3 GHG emissions (tonnes CO₂e)

	2020	2021	2022	2023
Total Scope 1	2,875	3,092	3,910	4,232
Total Scope 2 (market-based)	10,052	111	27	32
Total Scope 3 (excluding Category 11)	824,761	1,083,251	1,354,069	1,319,695

Climate Data (continued)

Scope 1 and 2 fuel and electricity consumption⁸⁰ (MWh)

Disclosure	Natural gas	Propane	Electricity	Chilled water/cooling	Total	Renewable electricity
Regional market ⁸¹	Scope 1 ⁸²	Scope 1 ⁸²	Scope 2	Scope 2	Scope 1 & 2	Scope 2
Americas	16,086	6	65,541	1	81,634	65,541
APAC	66	0	7,711	18	7,795	7,669
China Mainland	0	0	13,638	0	13,638	13,638
EMEA	216	0	3,493	0	3,709	3,493
Total	16,368	6	90,383	19	106,776	90,341

Scope 3 fuel and electricity consumption (franchises and third-party logistics) (MWh)

Disclosure	Natural gas	Propane	Electricity	Chilled water/cooling	Total	Renewable electricity
Regional market	Scope 3 ⁸²	Scope 3 ⁸²	Scope 3	Scope 3	Scope 3	Scope 3
Americas	243	0	4,487	0	4,729	4,487
APAC	0	0	777	0	777	777
China Mainland	0	0	2,112	0	2,112	2,112
EMEA	0	0	2,119	0	2,119	2,119
Total	243	0	9,495	0	9,737	9,495

⁸⁰ Excludes vehicle emissions.

⁸¹ As noted in our [2023 Annual Report](#), we operate in over 25 markets around the world and organize our operations into four regional markets: Americas, China Mainland, Asia Pacific (APAC), and Europe and the Middle East (EMEA).

⁸² Emission factor source: US EPA MRR - Mandatory Reporting of GHG; Final Rule (40 CFR 98) - Commercial Sector Applicable as of 11/29/2013.

Climate Data (continued)

Scope 1, 2, and 3 (franchises and third-party logistics) fuel and electricity consumption⁸³ (tonnes CO₂e)

Disclosure	Scope 1	Scope 2	Scope 2	Scope 3	Scope 3
Regional market		Location-based	Market-based	Location-based	Market-based
Americas	3,872	17,914	2	1,698	90
APAC	121	4,069	29	492	22
China Mainland	89	8,352	0	1,341	47
EMEA	69	793	1	1,041	23
Total	4,151	31,128	32	4,572	182

Gases and global warming potential used for Scope 1, 2, and 3 emissions

Greenhouse gas ⁸⁴	GWP	GWP Reference
CO ₂	1	IPCC Fifth Assessment Report (AR5 - 100 year)
CH ₄	28	IPCC Fifth Assessment Report (AR5 - 100 year)
N ₂ O	265	IPCC Fifth Assessment Report (AR5 - 100 year)
HFCs (R-410-a)	1,924	IPCC Fifth Assessment Report (AR5 - 100 year)

⁸³ Excludes vehicle emissions.

⁸⁴ Perfluorocarbon (PFC) emissions, Sulfur hexafluoride (SF₆), and Nitrogen trifluoride (NF₃) are not included.

Climate Data (continued)

Scope 3 GHG emissions by category and operational boundaries

2023 Scope 3 GHG emissions (tonnes CO₂e)

Emissions source	2023 emissions	Included in our SBT ⁸⁵	Calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners
Category 1: Purchased goods and services	920,534	Yes ⁸⁶	<p>For supplier emissions, the percentage of emissions is calculated using the number of suppliers that reported through Higg FEM assessments. The Higg Index enables supplier activity energy data to be collected and calculates emissions for each supplier. Because suppliers serve multiple customers, we allocated emissions to lululemon by using total lululemon units compared to total facility units to calculate the amount of the facility that is dedicated to lululemon. Higg Index data is also reviewed to determine if it is usable for our footprint. We extrapolate to 100% and estimate for subcontractors to ensure our footprint is not understated.</p> <p>For emissions related to the materials in our products, lululemon uses an internal database of material quantities and a collection of custom-built and standard Higg MSI emissions factors to calculate impact. lululemon then extrapolates emissions to include liability fabric.</p> <p>lululemon collects packaging data (including <u>shoppers</u>) from suppliers and applies emissions factors to understand associated emissions.</p> <p>For all other purchased goods and services, spend data is collected from the lululemon financial team. The spend is categorized and mapped to a commodity type and an associated emission factor using the EPA US Environmentally-Extended Input-Output (USEEIO).</p> <p>GWP are IPCC Fifth Assessment Report (AR5 - 100 year).</p>	50%
Category 2: Capital goods	42,558	No	Capital goods categories examined include buildings, furniture, fixtures, equipment, computer hardware, and computer software. We use a spend-based method; therefore, we do not collect data from suppliers or value chain partners. Spend data is collected from the lululemon financial team. The spend is categorized and mapped to a commodity type and an associated emission factor using the EPA USEEIO factors. GWP are IPCC Fifth Assessment Report (AR5 - 100 year).	0%
Category 3: Fuel and energy related (not Scope 1 or 2)	8,499	No	The activity data used to quantify these activities' emissions consists of the quantity consumed of each energy type, such as electricity or natural gas. Consumption by fuel type is then multiplied by emission factors for each of the three activities included in this category. Emission factors for upstream emissions of purchased fuels are based on life cycle analysis software. Emission factors for upstream emissions of purchased electricity are based on life cycle analysis software for the US, and on UK Defra Guidelines for other markets. Emission factors for transmission and distribution losses are location-based and taken from the EPA's eGRID database for the US, and from IEA, BEIS, and AIB for other markets. GWP are IPCC Fifth Assessment Report (AR5 - 100 year).	0%

⁸⁵ Science-based target.

⁸⁶ Our SBT includes Category 1 (with the exclusion of "other purchased goods and services," which relate to non-product spend), as defined by the GHG Protocol.

Climate Data (continued)

2023 Scope 3 GHG emissions (tonnes CO₂e)

Emissions source	2023 emissions	Included in our SBT	Calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners
Category 4: Upstream transportation and distribution	222,042	Yes ⁸⁷	Upstream logistics activity data is collected directly from our suppliers and in-house systems. This includes the distance travelled by mode and the weight of product shipped. Inbound logistics data is entered into a platform that uses origin, destination, mode, and route to calculate emissions. Outbound logistics emissions are provided by carriers or calculated using a tonne-kilometer approach based on mode of transportation and emissions factors from BEIS. GWP _s are IPCC Fifth Assessment Report (AR5 - 100 year).	100%
Category 5: Waste generated in operations	1,120	No	Actual waste weight data for recycling, landfill, compost, and incineration is reported from the distribution centres. The remaining is estimated by applying a waste per square foot (SF) intensity per store type from previous store data to the 2023 SF of each store. Emission factors used are from BEIS. GWP _s are IPCC Fifth Assessment Report (AR5 - 100 year).	0%
Category 6: Business travel	21,097	No	Hotel stays, air travel, corporate jets, rental cars, and rail travel are all accounted for in Category 6. Air travel, rail travel, and hotel stay records are obtained from our travel agency partner, Egencia. This is actual data to account for each trip. We extrapolate hotel data from 90% to 100% to account for bookings not made through Egencia. Roughly 75% of rental car data comes directly from the rental agencies, which is then extrapolated to 100%. For corporate jets, we estimate a fuel burn rate based on aircraft type and apply this to the routes that were flown in 2023. The BEIS emissions factors are then applied to the actual data for total emissions. GWP _s are IPCC Fifth Assessment Report (AR5 - 100 year).	92%
Category 7: Employee commuting	47,981	No	Emissions are updated on an annual basis utilizing our commuting survey from 2017 and extrapolated to 2023 numbers. The BEIS emissions factors are then applied to the actual data for total emissions. Work-from-home emissions are estimated based on IEA emissions factors and the portion of workforce who work from home. GWP _s are IPCC Fifth Assessment Report (AR5 - 100 year).	0%
Category 8: Upstream leased assets	N/A	N/A	lululemon does not have upstream leased facilities; therefore, there are zero emissions in this category.	N/A
Category 9: Downstream transportation and distribution	N/A	N/A	lululemon's primary business model consists of delivering products directly to guests. We did an assessment of downstream transportation and distribution and deemed it to be immaterial to the emissions inventory.	N/A
Category 10: Processing of sold products	N/A	N/A	lululemon stores sell final products only, rather than intermediate products. Therefore, processing of sold products is not relevant and emissions for this category are zero.	N/A
Category 11: Use of sold products	403,893	No	The use phase emissions are calculated using the draft guidance from PEFCR. GWP _s are IPCC Fifth Assessment Report (AR5 - 100 year).	0%

⁸⁷ Our SBT includes inbound and MIRROR logistics but excludes outbound logistics for Category 4.

Climate Data (continued)

2023 Scope 3 GHG emissions (tonnes CO₂e)

Emissions source	2023 emissions	Included in our SBT	Calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners
Category 12: End-of-life treatment of sold products	55,843	No	The end-of-life emissions are calculated using the draft guidance from PEFCR. GWP _s are IPCC Fifth Assessment Report (AR5 - 100 year).	0%
Category 13: Downstream leased assets	N/A	N/A	lululemon does not lease any portfolio space to third parties, so the emissions are zero.	N/A
Category 14: Franchises	21	No	Emissions from franchises represent 0.1% of our total Scope 3 emissions. Electricity and natural gas activity data is collected and tracked by our utility management software for all locations that have utility bills. All locations without utility bills are estimated from the sites that do have utility bills. Our franchise locations do not have direct utility bills, so their energy use is estimated. Emissions are calculated by multiplying the activity data by the appropriate emission factors for electricity and natural gas. Emission factors from the latest release of eGRID are applied to US locations and IEA electricity factors are applied to international locations. In addition, we estimate refrigerant usage by applying EPA assumptions on the refrigerant charge, operating loss factor, and refrigerant type to calculate the kg of refrigerants. This is then multiplied by the appropriate GWP to obtain tonnes CO ₂ e. GWP _s are IPCC Fifth Assessment Report (AR5 - 100 year).	0%
Category 15: Investments	N/A	N/A	The carbon impact of the investments that lululemon makes outside its normal retail business were estimated and deemed immaterial. We estimated the emissions to be less than 0.1 percent of our footprint.	N/A
Biogenic carbon emissions	9,767	No	Biogenic carbon was calculated from biofuels used in Tier 1 and Tier 2 manufacturing. Biogenic emissions are reported separately from the Greenhouse Gas Inventory. Methane (CH ₄) and nitrous oxide (N ₂ O) are included in the inventory.	100%
Total Scope 3: all Greenhouse Gas Protocol categories				1,732,589
Total Scope 3 excluding "use of sold products"				1,319,695
Total Scope 3 in our SBT ⁸⁸				1,014,319

⁸⁸ In 2024, we updated our Scope 3 target as part of our target re-validation process with SBTi to include Category 1 (with the exclusion of "other purchased goods and services," which relate to non-product spend) and Category 4 emissions, as defined by the GHG Protocol. This exceeds the SBTi requirement of including at least two-thirds Scope 3 emissions. We also updated the denominator of our economic intensity target metric, which was developed using the GEVA (GHG emission per unit of value-added) methodology from revenue to gross profit to align with the latest SBTi requirements. We have updated our baseline and prior year progress to reflect these changes as well as other methodology enhancements, including data improvements and updates to emissions factors.

TCFD Disclosure

The Task Force on Climate-related Financial Disclosures (TCFD) is a framework of recommendations to help companies effectively disclose climate-related risks and opportunities.⁸⁹

TCFD recommendations	lululemon response
Governance - Disclose the organization's governance around climate-related risks and opportunities.	
a. Describe the board's oversight of climate-related risks and opportunities.	2023 CDP Disclosure: 4.1.1, 4.1.2 Impact Governance
b. Describe management's role in assessing and managing climate-related risks and opportunities.	2023 CDP Disclosure: 2.2.2, 4.3, 4.3.1 Impact Governance Climate Action
Strategy - Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	
a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	2023 CDP Disclosure: 2.1, 2.2.1, 2.2.2, 2.4, 3.1.1, 3.6.1 2023 Annual Report: Item 1A Risk Factors Impact Governance Climate Action
b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	2023 CDP Disclosure: 3.1.1, 3.6.1, 5.1.1, 5.1.2, 5.2, 5.3.1, 5.3.2 2023 Annual Report: Item 1A Risk Factors Climate Action
c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	2023 CDP Disclosure: 5.1.1, 5.1.2, 5.2, 5.3.1, 5.3.2 Our Company Strategy Climate Action
Risk Management - Disclose how the organization identifies, assesses, and manages climate-related risks.	
a. Describe the organization's processes for identifying and assessing climate-related risks.	2023 CDP Disclosure: 2.2.2 Our Company Strategy Climate Action Material Topics
b. Describe the organization's processes for managing climate-related risks.	2023 CDP Disclosure: 2.2.2, 3.1.1 Our Company Strategy Climate Action
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	2023 CDP Disclosure: 2.2 Our Company Strategy Climate Action Material Topics

⁸⁹ The inclusion of information contained in this disclosure should not be construed as a characterization regarding the materiality or financial impact of that information to investors in lululemon athletica inc. The information in this table includes forward-looking statements based on management's current expectations. Actual results and the timing of events could differ materially from those anticipated in the forward-looking statements as a result of risks and uncertainties, which include those described in our [Annual Report on Form 10-K](#) for the year ended January 28, 2024, filed with the Securities and Exchange Commission (SEC), and subsequent SEC filings. Given the inherent uncertainty in predicting and modeling future conditions, readers should exercise caution when interpreting the information provided in this table. In addition, the controls, processes, practices, and infrastructures described in this disclosure are not intended to constitute any representation, warranty, or other assurance that such controls, processes, practices, and infrastructures will result in any specific outcome or result.

TCFD Disclosure (continued)

TCFD recommendations	lululemon response
Metrics and Targets - Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	
a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	2023 CDP Disclosure: 7.5, 7.53.1, 7.53.2, 7.54.1 Goal Progress Climate Action Water and Chemistry Climate Data
b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	2023 CDP Disclosure: 7.2, 7.3, 7.5, 7.6, 7.7, 7.8 Climate Action Climate Data
c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	2023 CDP Disclosure: 7.53.1, 7.53.2, 7.54.1, 7.54.2 Goal Progress Climate Action Water and Chemistry Climate Data

SASB Index

The International Sustainability Standards Board (ISSB) of the International Financial Reporting Standards (IFRS) Foundation maintains the Sustainability Accounting Standards Board (SASB) Standards. This index includes relevant indicators from the Standard for Apparel, Accessories and Footwear (2023), as defined by the SASB Sustainable Industry Classification System (SICS).

Accounting metric	Category	Unit of measure	Code	Data	Reference
Management of chemicals in products					
Discussion of processes to maintain compliance with restricted substances regulations	Discussion & Analysis	N/A	CG-AA-250a.1	N/A	Water and Chemistry
Discussion of processes to assess and manage risks or hazards associated with chemicals in products	Discussion & Analysis	N/A	CG-AA-250a.2	N/A	Water and Chemistry
Environmental impacts in the supply chain					
Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits or contractual agreements	Quantitative	Percentage	CG-AA-430a.1	As determined through Higg FEM reporting in calendar year 2023, 98% of Tier 1 supplier facilities and 97% of supplier facilities beyond Tier 1 reported compliance with wastewater discharge permits where required.	Water and Chemistry
Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment	Quantitative	Percentage	CG-AA-430a.2	<p>For the 2023 calendar year, we requested that 385 supplier facilities—including finished goods, mills, select trims suppliers, and subcontractors operated by our suppliers—complete the Higg FEM self-assessment. This represented 99% of our Tier 1 and Tier 2 suppliers by 2023 production value in US dollars.</p> <p>A total of 354 supplier facilities completed the Higg FEM self-assessment, including 125 Tier 1 supplier facilities (93% of requested supplier facilities), 226 Tier 2 supplier facilities (91% of requested supplier facilities), and three Tier 3 supplier facilities (100% of requested supplier facilities). Of these self-assessments, 77% were verified by a third party.</p>	Climate Action Water and Chemistry
Labor conditions in the supply chain					
Percentage of (1) Tier 1 supplier facilities, (2) supplier facilities beyond Tier 1 that have been audited to a labor code of conduct, and (3) percentage of total audits conducted by a third-party auditor	Quantitative	Percentage	CG-AA-430b.1	In 2023, 100% of Tier 1 supplier facilities and 99% of Tier 2 supplier facilities were assessed to lululemon's Vendor Code of Ethics. We continue to evolve our traceability program to assess all facilities across our supply chain, particularly those beyond Tier 1.	People Who Make Our Products
				In 2023, 65% of assessments were conducted by our internal Responsible Supply Chain team, and 35% were conducted via nominated third-party assessors. The Fair Labor Association also carried out assessments of 5% of our Tier 1 supplier facilities.	

SASB Index (continued)

Accounting metric	Category	Unit of measure	Code	Data	Reference
(1) Priority non-conformance rate and (2) associated corrective action rate for suppliers' labor code of conduct audits	Quantitative	Rate	CG-AA-430b.2	<p>In 2023, our Responsible Supply Chain assessment found critical or zero-tolerance findings in 31% of facilities. This included both new and active Tier 1 and Tier 2 supplier facilities (excluding trims and subcontractors) undergoing potential onboarding and annual assessments. This also reflected data analysis enhancements made through implementation of our data management system in 2023.</p> <p>When facilities do not pass an assessment, they are expected to implement Corrective and Preventative Action Plans (CAPAs) to remediate issues. New facilities are not onboarded unless they have passed the assessment. We aim to always work in partnership with suppliers to resolve issues. However, we maintain the right to terminate supplier relationships in cases of severe or persistent non-compliance. When we exit a supplier relationship, we work closely with the supplier, and with our sourcing, production, and legal departments, to reduce impacts on the workforce wherever possible.</p>	People Who Make Our Products Reporting & Disclosure website: Responsible Supply Chain
Description of the greatest (1) labor and (2) environmental, health, and safety risks in the supply chain	Discussion & Analysis	N/A	CG-AA-430b.3	N/A	People Who Make Our Products
Raw materials sourcing					
(1) List of priority raw materials; for each priority raw material: (2) environmental or social factor(s) most likely to threaten sourcing, (3) discussion on business risks or opportunities associated with environmental or social factors, and (4) management strategy for addressing business risks and opportunities	Discussion & Analysis	N/A	CG-AA-440a.3	N/A	Product and Material Innovation
(1) Amount of priority raw materials purchased, by material, and (2) amount of each priority raw material that is certified to a third-party environmental or social standard, by standard	Quantitative	Metric tonnes	CG-AA-440a.4	<p>Materials used in lululemon products as a percentage of all materials sourced:</p> <ul style="list-style-type: none"> · Polyester: 33% · Nylon: 31% · Cotton: 19% <p>Percentage of raw material certified, aligned to standard, or branded:</p> <ul style="list-style-type: none"> · Recycled polyester: 61% · Recycled or renewable nylon: 6% · Responsibly sourced cotton: 46% <p>For more examples, see the table on page 42. Data is from February 2023 to January 2024. See page 41 for footnotes on data inclusions and exclusions.</p>	Product and Material Innovation
Activity metrics					
Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1	Quantitative	Number	CG-AA-000.A	<p>In 2023, we worked with approximately 49 Tier 1 suppliers that manufactured our products and approximately 67 Tier 2 suppliers that provided the fabric for our products.</p> <p>Biannually, we publish a list of our supplier facilities and subcontractors on our website; this is where the most up-to-date information can be found.</p>	People Who Make Our Products Supplier List

GRI Content Index

The Global Reporting Initiative (GRI) Standards are a sustainability reporting framework covering disclosures on economic, social, and environmental topics. We consulted GRI 1: Foundation 2021 to build this content index. We do not report on any Sector Standards as the requirements for Textiles and Apparel have not yet been released.

GRI Standard	Disclosure	Notes
General disclosures		
The organization and its reporting practices	2-1 Organizational details	2023 Annual Report : Item 1. Business (page 1) and Item 2. Properties (page 24)
	2-2 Entities included in the organization's sustainability reporting	About Our Report 2023 Annual Report : Item 1. Business (page 1)
	2-3 Reporting period, frequency, and contact point	Period: Fiscal Year 2023 (January 30, 2023-January 28, 2024) Publication Date: September 2024 Frequency: Annual Contact: sustainability@lululemon.com
	2-4 Restatements of information	See footnotes in the following sections: Goal Progress Climate Action Product and Material Innovation Water and Chemistry Packaging and Waste
	2-5 External assurance	Assurance Statement
Activities and workers		
	2-6 Activities, value chain and other business relationships	People Who Make Our Products Reporting & Disclosure 2023 Annual Report : Item 1. Business (page 1), Item 1A. Risk Factors (page 10), and Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation (page 27)
	2-7 Employees	Employee Empowerment 2023 Annual Report : Item 1. Business (page 1) and Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation (page 27)

	Female	Male	Under 30	30-50	51+
Board of Directors by gender					
Total	50.0%	50.0%			
Total employees by employment level and gender⁹⁰					
Total	76.0%	24.0%			
Vice President and above	48.8%	51.2%			
Executive Vice President and above	70.0%	30.0%			
Board of Directors			0.0%	30.0%	70.0%

GRI Content Index (continued)

GRI Standard	Disclosure	Notes
Activities and workers	2-8 Workers who are not employees	We do not have a significant portion of the organization's activities performed by people who are not employees.
Governance	2-9 Governance structure and composition 2-10 Nomination and selection of the highest governance body 2-11 Chair of the highest governance body 2-12 Role of the highest governance body in overseeing the management of impacts 2-13 Delegation of responsibility for managing impacts 2-14 Role of highest governance body in sustainability reporting 2-15 Conflicts of interest 2-16 Communication of critical concerns 2-17 Collective knowledge of the highest governance body 2-18 Evaluation of the performance of the highest governance body 2-19 Remuneration policies 2-20 Process to determine remuneration 2-21 Annual total compensation ratio	Governance Documents Impact Governance Proxy Statement: Election of Directors (page 22) Proxy Statement: Election of Directors (page 22) Proxy Statement: Executive Officers & Board of Directors (page 14) Impact Governance Proxy Statement Executive Officers & Board of Directors (page 14) Corporate Responsibility, Sustainability, & Governance Committee Charter Impact Governance Impact Governance Global Code of Business Conduct and Ethics Proxy Statement: Independence of the Board People Who Make Our Products Responsible Supply Chain Disclosure Global Code of Business Conduct and Ethics Integrity line Board of Directors Corporate Responsibility, Sustainability, & Governance Committee Charter Corporate Responsibility, Sustainability, & Governance Committee Charter Proxy Statement: Election of Directors (page 21) Proxy Statement: Election of Directors (pages 21 and 34) and Advisory Vote on the Frequency of Say-On-Pay Votes (page 39) Proxy Statement: Advisory Vote on the Frequency of Say-On-Pay Votes (page 39) People, Culture, & Compensation Committee Charter Proxy Statement: CEO Pay Ratio (page 72)
Strategy, policies and practices	2-22 Statement on sustainable development strategy 2-23 Policy commitments 2-24 Embedding policy commitments 2-25 Processes to remediate negative impacts	A Note from Our CEO Global Code of Business Conduct and Ethics Policies & Guidelines Impact Agenda Impact Governance Global Code of Business Conduct and Ethics Policies & Guidelines See this Impact Report for information on our managerial and programmatic approaches to addressing ESG impacts. People Who Make Our Products Reporting & Disclosure Global Code of Business Conduct and Ethics

GRI Content Index (continued)

GRI Standard	Disclosure	Notes
2-26 Mechanisms for seeking advice and raising concerns	2-26 Mechanisms for seeking advice and raising concerns	People Who Make Our Products Reporting & Disclosure Global Code of Business Conduct and Ethics Integrity line
	2-27 Compliance with laws and regulations	People Who Make Our Products Water and Chemistry Reporting & Disclosure Global Code of Business Conduct and Ethics
	2-28 Membership associations	Partnerships & Memberships Memberships and stakeholder engagement are also mentioned throughout the Impact Report.
Stakeholder engagement	2-29 Approach to stakeholder engagement	Impact Agenda Partnerships & Memberships Stakeholder Engagement Memberships and stakeholder engagement are also mentioned throughout the Impact Report.
Disclosures on material topics	3-1 Process to determine material topics	Impact Agenda Material Topics
	3-2 List of material topics	Material Topics
Environment Material aspects: circular ecosystems, product innovation and design, preferred materials	3-3 Management of material topics	Product and Material Innovation Circularity and New Guest Models Packaging and Waste SASB Index
	301-2 Recycled input materials used	Product and Material Innovation SASB Index
Material aspects: Climate change mitigation	3-3 Management of material topics	Climate Action Climate Data 2023 CDP Disclosure TCFD Disclosure
Energy	302-1 Energy consumption within the organization	Climate Action Climate Data 2023 CDP Disclosure
Emissions	305-1 Direct (Scope 1) GHG emissions	Climate Action Climate Data 2023 CDP Disclosure
	305-2 Energy indirect (Scope 2) GHG Emissions	Climate Action Climate Data 2023 CDP Disclosure

GRI Content Index (continued)

GRI Standard	Disclosure	Notes
	305-3 Other indirect (Scope 3) GHG emissions	Climate Action Climate Data 2023 CDP Disclosure
	305-4 GHG Emissions intensity	Climate Action Climate Data 2023 CDP Disclosure
	305-5 Reduction of GHG emissions	Climate Action Climate Data 2023 CDP Disclosure
Material aspects: Chemistry, water management and stewardship, environmental pollution		
	3-3 Management of material topics	Water and Chemistry
GRI 303: Water and effluents 2018	303-1 Interactions with water as a shared resource	Water and Chemistry SASB Index
Social Material aspects: employee, maker, and community wellbeing (physical, mental, and social), natural disasters and crisis response		
	3-3 Management of material topics	Employee Empowerment People Who Make Our Products Be Well
Training and education	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Empowerment
Material aspects: Diversity, equity, and inclusion		
	3-3 Management of material topics	Inclusion, Diversity, Equity, and Action
Diversity and equal opportunity	405-1 Diversity of governance bodies and employees	See GRI 2-7
Material aspects: Fair and ethical labor practices, human rights, supply chain traceability		
	3-3 Management of material topics	People Who Make Our Products Product and Material Innovation Responsible Supply Chain Disclosure
Supplier social assessment	414-1 New suppliers that were screened using social criteria	People Who Make Our Products SASB Index Responsible Supply Chain Disclosure

Glossary

Absolute Greenhouse Gas (GHG) Emissions Reduction: Reduction in the total amount of GHG emissions emitted into the atmosphere over a specific period.

Ambassadors: Extensions of the lululemon brand. Ambassadors test new products, connect with a network of fellow Ambassadors, provide feedback to lululemon, and receive development tools.

Assistant Manager (AM): Part of the store leadership team, impacting team member and guest experience. AMs are responsible for store operations, leading and coaching team members, holding the team accountable to results, and supporting guest experiences in the store.

BIPOC: Black, Indigenous, and other people of color.

Circular Design and Product Circularity: Per the [Ellen MacArthur Foundation](#), circular design refers to products that are designed to be used more, made to be made again, and made from safe and recycled or renewable inputs. Product circularity refers to products that are designed for their next use.

Collective: Made up of our global employees, guests, Ambassadors, suppliers, and communities in which we operate.

Distribution Centre (DC): A specialized warehouse that stores and ships the goods a company produces.

Downcycle: To convert a discarded material into something of lower value.

Educators: Oversee guest experience in our retail stores. They are responsible for engaging and connecting with our guests and sharing product education.

End-of-use Solutions: Infrastructure to collect, sort, and recycle products at scale once they are no longer in use.

Energy Attribute Certificates (EACs): According to the U.S. Environmental Protection Agency, an EAC is a contractual instrument that conveys information (attributes) about a unit of energy, including the resource used to create the energy and the emissions associated with its production and use. There are numerous types of EACs, including renewable energy credits, which are issued when one megawatt-hour of electricity is generated and delivered to the electricity grid from a renewable energy resource.

Freshwater Use Intensity: Total liters of freshwater used per kilogram of total raw material production at a supplier facility. Freshwater refers to naturally occurring water that has a low concentration of dissolved salts. This can include rainwater collected from reservoirs or supplier facilities, as well as river water, ground water, or municipal water that is clean to use. For our water data, the total liters of freshwater used and total raw material production at each supplier facility includes manufacturing for all customers who use the supplier facilities, not just lululemon.

GHG Emissions Intensity: The amount of GHG emissions per unit of activity, output, or any other organization-specific metric. We measure emissions intensity as tCO₂e per US \$ million of gross profit from operations.

Guest Education Centre (GEC): lululemon's customer service team.

Guests: Customers of our brand.

Higg Index: The Higg Index is a suite of tools for the measurement of value chain sustainability. It was developed by [Cascale](#) (formerly Sustainable Apparel Coalition) and is hosted exclusively on Worldly. Tools include: the Higg Facility Environmental Module (Higg FEM), a tool used to assess the environmental impacts of product manufacturing at facilities; the Higg Materials Sustainability Index (Higg MSI), a tool to measure and assess the environmental impacts of materials; and the Higg Product Module (Higg PM), a tool that measures the environmental impacts of a

product from the point of resource extraction to manufacturing impacts, all the way through product durability, care, and end-of-use; among others.

Historically Marginalized Groups: Typically refers to populations that have experienced systematic discrimination, oppression, or exclusion (including impacting access to resources, opportunities, and decision-making power) over a long period of time based on factors such as race, ethnicity, gender, sexuality, disability, or socioeconomic status.

Life Cycle Analysis (LCA): Defined by ISO 14040 and ISO 14044 as the compilation and evaluation of the inputs, outputs, and potential environmental impacts of a product system throughout its life cycle.

Makers: The people employed by lululemon product and material suppliers.

Owned and Operated Facilities: Facilities where lululemon has direct operational control: stores, distribution centres, and offices. These do not include manufacturing or transportation and logistics along our value chain.

People Networks (PNs): Our employee resource groups. PNs offer space and community support for employees and their allies who have historically marginalized identities. Through PNs, employees can gather and connect based on shared identity and engage in equity-centered development opportunities.

Polybag: A clear, often low-density polyethylene (LDPE) based plastic bag used to protect garments in transit.

Preferred Materials: Prior to 2023, we adhered to the [Textile Exchange](#)'s definition of preferred materials: "One which results in improved environmental and/or social sustainability outcomes and impacts compared to conventional production." In 2023, Textile Exchange updated their definition to: "A fiber or raw material that delivers consistently reduced impacts and increased benefits for climate, nature, and people against the conventional equivalent, through a holistic approach to transforming production systems." This updated definition does not affect our goals or the data we report on materials. However, we are working to align our internal impact validation framework to this updated Textile Exchange definition. More details on the attributes of preferred materials are in the [Product and Material Innovation](#) section.

Preferred Packaging Materials: Materials that include certified sources (e.g., [Forest Stewardship Council™ \(FSC\)](#) certified, [Global Recycled Standard](#)) and/or contain at least 30 percent recycled content.

Priority Suppliers for MRSI Implementation: A subset of wet processing supplier facilities that produced approximately 80 percent of production value in 2021. Data from these supplier facilities is used for our chemistry goal.

Priority Wet Process Suppliers: Produced approximately 80 percent of production value in 2021 and included supplier facilities with production in a water-scarce region. Wet processing is defined as any water-intense process, such as dyeing and finishing of materials. Wet processing is defined as any water-intense process, such as dyeing and finishing of materials.

Racially Diverse: Defining racial and ethnic categories is complex; the objective is to create categories that address significant global patterns of racial and ethnic dynamics. When we refer to "racially diverse" employees as part of our inclusion, diversity, equity, and action goals, we are referring to voluntary demographic survey results from our employees in Australia, Europe, New Zealand, and North America. For our goals, the term "racially diverse" is used to measure the non-white population as an aggregate.

Regenerated Cellulosics: Regenerated fibers usually made from the dissolved wood pulp or "cellulose" of trees.

Regenerative Agriculture: An ecosystems approach to farming that focuses on regenerating topsoil, increasing biodiversity, improving water, reducing synthetics, and increasing resilience to climate change.

Renewable Electricity and Energy: Renewable energy refers to all forms of unlimited, naturally replenished resources, such as the sun, tides, and wind, as opposed to non-renewable fossil fuels such as coal and natural gas. Renewable electricity is electricity generated by renewable energy sources both at a facility level (e.g., on-site rooftop solar arrays) and at a utility scale (e.g., large-scale solar or wind farms).

Responsibly Sourced or Sourcing Responsibly: Sourcing that aligns to internationally recognized certifications or standards (e.g., [CanopyStyle Audits](#), [Forest Stewardship Council™ \(FSC\)](#) certified, standards, or schemes in line with the Textile Exchange's Preferred Materials definition).

Science Based Targets initiative (SBTi): A corporate climate action organization that develops standards, tools, and guidance that allow companies to set GHG emissions reduction targets.

Scope 1 Emissions: Direct emissions from owned and operated facilities.

Scope 2 Emissions: Indirect emissions from the generation of energy purchased for use at owned and operated facilities. Our [Climate Data](#) contains both market-based and location-based emissions. Our goals use market-based emissions.

Scope 3 Emissions: Indirect upstream and downstream emissions across our value chain. Note that this includes a broader scope than what is included in our science-based target.

Shoppers: The bags provided to guests when making purchases in our stores.

Store Support Centres: lululemon's head office operations.

Subcontractors: Facilities completing a process of production. Subcontractors hold contracts with our suppliers, and are not directly engaged by lululemon.

Supply Chain Risks: Per the [OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector](#), supply chain risks are defined as risks of harm to individuals, other organizations, and communities in relation to human rights, labor rights, and the environment.

Tier 1: Supplier facilities that manufacture and provide final products.

Tier 2: Supplier facilities that provide materials to our Tier 1 suppliers.

Underrepresented Groups: Refers to groups that are not adequately represented in a particular context or setting relative to their proportion in the overall population; this may vary globally by region.

Value Chain: Our own operations and upstream and downstream business activities related to lululemon, including direct and indirect suppliers in our supply chain, our logistics partners, and any business partners with whom we have contractual relationships.

Virtual Power Purchase Agreement (VPPA): A long-term contractual commitment to purchase clean energy from a specific off-site renewables project. A VPPA is key to enabling the project's development and construction, and adds new renewables to the grid.

Waste Diversion: Keeping waste out of landfills by diverting materials to recycling or composting streams.

Zero Waste: In alignment with [Zero Waste International Alliance](#), we define zero waste as consistently reusing, recycling, or composting over 90 percent of waste materials each year.

Assurance Statement

Verification opinion declaration Greenhouse gas emissions

To: The Stakeholders of lululemon athletica inc.

Apex Companies LLC, (Apex) was engaged to conduct an independent verification of the greenhouse gas (GHG) emissions reported by lululemon athletica inc. (lululemon) for the period stated below. This verification opinion declaration applies to the related information included within the scope of work described below. The determination of the GHG emissions is the sole responsibility of lululemon, and lululemon is responsible for the preparation and fair presentation of the GHG emissions statement in accordance with the criteria. Apex's sole responsibility was to provide an independent verification opinion on the accuracy of the GHG emissions reported and on the underlying systems and processes used to collect, analyze and review the information. Apex is responsible for expressing an opinion on the GHG emissions statement based upon the verification. Verification activities applied in a limited level of assurance are less extensive in nature, timing and extent than in a reasonable level of assurance verification.

Boundaries of the reporting company GHG emissions covered by the verification:

- Operational Control
- Worldwide
- Exclusions from the scope of lululemon's GHG emissions assertion are:
- Franchise and 3PL facilities are excluded because they are considered in Scope 3 calculations.

Types of GHGs: CO₂, N₂O, CH₄, and HFCs

GHG Emissions Statement:

- Scope 1: 4,232 metric tons of CO₂ equivalent
- Scope 2: Location-Based: 31,128 metric tons of CO₂ equivalent
- Scope 2: Market-Based: 32 metric tons of CO₂ equivalent
- Scope 3: Business Travel: 21,097 metric tons of CO₂ equivalent

Data and information supporting the Scope 1, Scope 2 and Scope 3 GHG emissions assertion were in some cases estimated rather than historical in nature.

Global Warming Potential (GWP) and emission factor data sets:

- IPCC GWP: AR-5
- The Climate Registry, released 2023
- Environment Canada National Inventory Report, released 2022
- UNFCCC CRF Implied Emission Factor Natural Gas, released 2023
- USEPA Emission Factor Hub, released 2023
- DEFRA, released 2023
- USEPA eGRID, released 2023

- IEA, released 2023
- U.S. Energy Information Administration Form EIA-1065, released 2010
- Country-specific emission factors

Period covered by GHG emissions verification:

- January 1, 2023 to December 31, 2023

GHG Reporting Protocols against which verification was conducted:

- World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD), Greenhouse Gas Protocol, Corporate Accounting and Reporting Standard, Revised Edition (Scope 1 and 2) and the GHG Protocol Scope 2 Guidance, an amendment to the GHG Protocol Corporate Standard
- WRI/WBCSD Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Scope 3)

GHG Verification Protocols used to conduct the verification:

- ISO 14064-3 Second Edition 2019-04: Greenhouse gases - Part 3: Specification with guidance for the verification and validation of greenhouse gas statements

Level of Assurance and Qualifications:

- Limited
- This verification used a materiality threshold of $\pm 5\%$ for aggregate errors in sampled data for each of the above indicators.

GHG Verification Methodology:

Evidence-gathering procedures included, but were not limited to:

- Interviews with relevant personnel of lululemon;
- Review of documentary evidence produced by lululemon;
- Review of lululemon data and information systems and methodology for collection, aggregation, analysis and review of information used to determine GHG emissions; and,
- Audit of sample of data used by lululemon to determine GHG emissions.

Verification Opinion:

Based on the verification process and procedures conducted to a limited assurance level of the GHG emissions statement shown above, Apex found no evidence that the GHG emissions statement:

- is not materially correct and is not a fair representation of the GHG emissions data and information; and
- has not been prepared in accordance with the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard (Scope 1 and 2), and WRI/WBCSD Greenhouse Gas Protocol Corporate Value Chain Accounting and Reporting Standard (Scope 3).

It is our opinion that lululemon has established appropriate systems for the collection, aggregation and analysis of quantitative data for determination of these GHG emissions for the stated period and boundaries.

Statement of independence, impartiality and competence

Apex is an independent professional services company that specializes in Health, Safety, Social and Environmental management services including assurance with over 30 years history in providing these services.

No member of the verification team has a business relationship with lululemon athletica inc., its Directors or Managers beyond that required of this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest.

Apex has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

The verification team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes, has over 20 years combined experience in this field and an excellent understanding of Apex's standard methodology for the verification of greenhouse gas emissions data.

Attestation:

Jessica Jacobs
Lead Verifier
ESG Senior Project Manager
Apex Companies, LLC
Cincinnati, Ohio
July 18, 2024

Mary E. Armstrong Friberg
Technical Reviewer
ESG Program Manager
Apex Companies, LLC
Cleveland, Ohio
July 18, 2024

This verification opinion declaration, including the opinion expressed herein, is provided to lululemon athletica inc. and is solely for the benefit of lululemon athletica inc. in accordance with the terms of our agreement. We consent to the release of this declaration by you to the public or other organizations but without accepting or assuming any responsibility or liability on our part to any other party who may have access to this declaration.

Forward-looking Statements

This Impact Report disclosure includes estimates, projections, and statements relating to our business plans, objectives, and expected operating results that are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934. In many cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “outlook,” “believes,” “intends,” “estimates,” “predicts,” “potential,” or the negative of these terms or other comparable terminology.

These forward-looking statements also include our guidance and outlook statements. These statements are based on management’s current expectations but involve a number of risks and uncertainties. Actual results and the timing of events could differ materially from those anticipated in the forward-looking statements as a result of risks and uncertainties, which include, without limitation: our ability to maintain the value and reputation of our brand; changes in consumer shopping preferences and shifts in distribution channels; the acceptability of our products to guests; our highly competitive market and increasing competition; increasing costs and decreasing selling prices; our ability to anticipate consumer preferences and successfully develop and introduce new, innovative, and updated products; our ability to accurately forecast guest demand for our products; our ability to expand in light of our limited operating experience and limited brand recognition in new international markets and new product categories; our ability to effectively manage our growth and the increased complexity of our business; our ability to successfully open new store locations in a timely manner; seasonality; disruptions of our supply chain; our reliance on a relatively small number of suppliers to supply and manufacture a significant portion of our products; suppliers or manufacturers not complying with our Vendor Code of Ethics or applicable laws; our ability to deliver our products to the market and to meet guest expectations if we have problems with our distribution system; increasing labor costs and other factors associated with the production of our products in South Asia and South East Asia; our ability to safeguard against security breaches with respect to our technology systems; our compliance with privacy and data protection laws; any material disruption of

our information systems; our ability to have technology-based systems function effectively and grow our e-commerce business globally; climate change, and related legislative and regulatory responses; increased scrutiny regarding our environmental, social, and governance, or sustainability responsibilities; an economic recession, depression, downturn, or economic uncertainty in our key markets; global or regional health events such as the COVID-19 pandemic and related government, private sector, and individual consumer responsive actions; global economic and political conditions; our ability to source and sell our merchandise profitably or at all if new trade restrictions are imposed or existing trade restrictions become more burdensome; changes in tax laws or unanticipated tax liabilities; our ability to comply with trade and other regulations; fluctuations in foreign currency exchange rates; imitation by our competitors; our ability to protect our intellectual property rights; conflicting trademarks and patents and the prevention of sale of certain products; our exposure to various types of litigation; and other risks and uncertainties set out in filings made from time to time with the United States Securities and Exchange Commission and available at www.sec.gov, including, without limitation, our most recent reports on Form 10-K and Form 10-Q.

You are urged to consider these factors carefully in evaluating the forward-looking statements contained herein and are cautioned not to place undue reliance on such forward-looking statements, which are qualified in their entirety by these cautionary statements.

The forward-looking statements made herein speak only as of the date of this disclosure and we undertake no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances, except as may be required by law.

The Artist



Carolyn-Jungsuh Rhee

The artwork in this report was designed by Carolyn-Jungsuh Rhee. Rhee is a Korean-American artist and designer whose work explores the interconnected nature of all things. Driven by the symbiotic play among varying disciplines, everchanging ecosystems, and the spirit of her own inner worlds, Rhee seeks a holistic practice that is dedicated to being porous and remaining curious.

Through gentle observation, collection, and play, Rhee's ethereal illustrations are carefully composed from the things that surround her—from found objects of nature, everyday mobile photos, and K-pop lyric references, to Google Earth walks—finding harmony in the organic and digital.

Contact

We welcome your thoughts and ongoing dialogue.
Email us at sustainability@lululemon.com.