





Welcome

This is lululemon's 2021 Impact Report, a detailed account of the progress we are making in our commitments to support the wellbeing of people and restore a healthier planet.

Our ambition is to be a brand leader in creating a positive impact for our planet and its people. Our transformative role is to help our industry accelerate wellbeing for all by celebrating our interconnectedness, relentlessly pursuing progress, and advancing collective action. This report lays out our growth throughout 2021 on our path to realizing this vision.

Front Cover Illustration

"We begin our breathing journey at the point when we become aware with the intensity of our emotions. We feel compressed, rhythm is short, fast movement. Lines are tighter with focus on the colour red (power, makes heartbeat faster, commands attention)."

– *Jacquie Comrie, report illustrator*



ABOUT THIS REPORT

This report serves as a platform to share lululemon’s enterprise impact strategy. It discloses our progress against publicly stated goals as well as performance related to environmental, social, and governance (ESG) topics under the three pillars of our Impact Agenda—Be Human, Be Well, and Be Planet. It covers global business activity performance for our direct operations (including offices, retail locations, e-commerce, guest education centres, and distribution centres) and supply chain (including manufacturing suppliers and distribution logistics). We’re reporting for the fiscal year ending January 31, 2022 (referred to throughout this report as “2021”), unless otherwise noted. Except for greenhouse gas (GHG) emissions data in the Climate Action section, our report does not include information on MIRROR, which we acquired in 2020 and represents a small portion of our business. As our business evolves, we will continue to assess our reporting approach.

Our Supplement includes detailed performance information. It was developed in line with the Sustainable Accounting Standards Board (SASB) framework and references select Global Reporting Initiative (GRI) Standards. We have obtained limited external assurance on select reported metrics, including energy consumption and renewable electricity use in owned and operated facilities, Scope 1 and 2 GHG emissions, and Scope 3 emissions from business travel.

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Thank you for taking the time to read our second annual Impact Report. This report represents our commitment to transparently sharing our impact journey progress and details our work in implementing and further developing innovative solutions to accelerate lasting, positive change for our people, communities, and environment.

The world continues to face many challenges—from the ongoing COVID-19 pandemic to challenges related to mental wellbeing, from racial injustice to the impacts of climate change. At lululemon, we are guided by our three Impact Agenda pillars: **Be Human, Be Well**, and **Be Planet**. This holistic approach enables us to drive our actions in support of our people, the wellbeing of our communities, and a healthier planet for us all.

Earlier this year, we evolved our purpose at lululemon—to elevate human potential by helping people feel their best. I am pleased to see how our purpose is reflected throughout this report, as we embed our impact into our day-to-day practices in order to underpin our company growth strategy and to inspire innovation and progress across our entire organization. To preview our report, here are just a few examples of our actions to help drive change.

In support of our **people and communities**, we have continued to deliver against our Inclusion, Diversity, Equity, and Action (IDEA) commitments. We increased the diversity of our employees to better reflect the communities we serve, broadened our inclusive design programs, maintained gender pay equity for the fifth year in a row, and maintained full pay equity for 100 percent of all US employees. In addition, through the launch of the lululemon Centre for Social Impact, we invested US \$11.9 million in support of our goal to provide access to wellbeing tools to 10 million people by 2025.

To help create a healthier **planet**, and as part of our climate action plan, lululemon procures 100 percent renewable electricity to power all our owned and operated facilities. In our men's business, our products are now made with more than 75 percent sustainable materials, and we are almost a third of the way toward our goal of 100 percent sustainable products by 2030. And in our work toward a circular ecosystem, on Earth Day, we expanded our lululemon Like New resale program to all stores within the United States to keep our products in use longer, which is one of many actions that helped us earn recognition by *Fast Company* as the #1 retailer for corporate responsibility.

To take our actions even further, we recognize that we cannot do this alone, and we have continued to invest in strategic partnerships to accelerate innovation. We partnered with Genomatica to take a leadership role in raw material innovation, developing the first plant-based nylon in the world. And we were especially proud to be one of the two lead investors in the creation of the Apparel Impact Institute Fashion Climate Fund, a US \$250 million fund to decarbonize the fashion value chain.

On behalf of everyone at lululemon, I am proud of the contributions we have made over the past year to create a healthier world. Our progress reinforces the importance of the impact we can continue to make in the years ahead. While we remain early in our journey, one thing is clear—we are more focused than ever on bringing about thoughtful, more sustainable innovation and design, creating ways to connect and inspire, and seizing the opportunity to disrupt and lead our industry for people and planet.

I want to close by thanking our teams around the world for their continued passion and commitment to advancing wellbeing for all. It is the hard work and creativity of our people that makes all of this possible, and enables all that we have yet to achieve.

Sincerely,



CALVIN MCDONALD
Chief Executive Officer

As a global business rooted in wellbeing and mindfulness, we have a responsibility and opportunity to contribute to the wellbeing of people and our planet.

Since setting lululemon's Impact Agenda two years ago, we have continued to accelerate our pace toward achieving our social and environmental ambitions. In the last year, we have continued to build our foundation and move toward more transformational and collective initiatives. Through our Centre for Social Impact, we have engaged with both local and global social impact organizations—such as The Trevor Project, the Girls Opportunity Alliance, and The Resilience Fund for Women in Global Value Chains—that help scale solutions to deeply rooted systemic issues around mental health, wellbeing, and empowerment. Our roots in materials innovation lead us to help unlock new technologies for our products and planet, with industry leaders such as LanzaTech and Genomatica. Recognizing the importance of collaboration, we are especially proud of being a lead investor in the Apparel Impact Institute Fashion Climate Fund, to help decarbonize apparel manufacturing and supply chains.

Our employees and partners around the world are creating conditions that help us move toward a more equitable, sustainable, and healthy future. We know the goals in our Impact Agenda are bold, and require courage, energy, and learning. We are thrilled to share our second annual Impact Report with you, celebrating and reflecting on our progress and path, and will continue to share the successes and challenges along the way.

Join us on our journey to achieve our impact goals.



ESTHER SPECK
Vice President, Sustainable Business and Impact

Our IDEA mission at lululemon is to expand being well to encompass a culture of inclusion where diversity is celebrated, equity is the norm, and action is the commitment. At the heart of that mission is expanding our definition of wellbeing and our commitment to action. This second annual report highlights the strides we have made by listening, learning, and, most importantly, acting.

We have integrated IDEA throughout the business and established targeted programs that advance accessibility, address systemic barriers, promote career development for all, including traditionally underserved groups, and positively impact our broader communities. For everything we create—whether it be employment policies, how we design our stores, how we interact with business partners, or how we engage with our guests and communities—we strive to approach it from a place of inclusive design. We centre those most impacted and those who may be currently experiencing the greatest barriers so that we generate delightful and equitable experiences for all.

Together, we are building an ecosystem of inclusion that results in increased representation and a healthier work- and marketplace. We know that the path forward is together and that it will not be a sprint. It will require endurance, courage, integrity, and mutual care.

I invite you to celebrate and reflect on our progress and fuel up for the journey we have ahead of us.



STACIA JONES
Vice President, Inclusion, Diversity, Equity, and Action

We are lululemon. Our vision is to create transformative products and experiences that build meaningful connections, unlocking greater possibility and wellbeing for all. We are a business rooted in purpose: we elevate human potential by helping people feel their best. With a company history that dates back nearly a quarter century, we are working to leverage our passion for product innovation, wellbeing, and mindfulness into platforms from which we can inspire and accelerate positive change. We are using our expanding global presence to support people and communities, develop innovative products and services for our varied markets, and engage partners toward achieving a sustainable, healthy, and inclusive future, together.

1 Included within the People's Republic of China as of January 31, 2022, there were nine stores in Hong Kong Special Administrative Region, five stores in Taiwan, and two stores in Macao Special Administrative Region.

lululemon in 2021 numbers

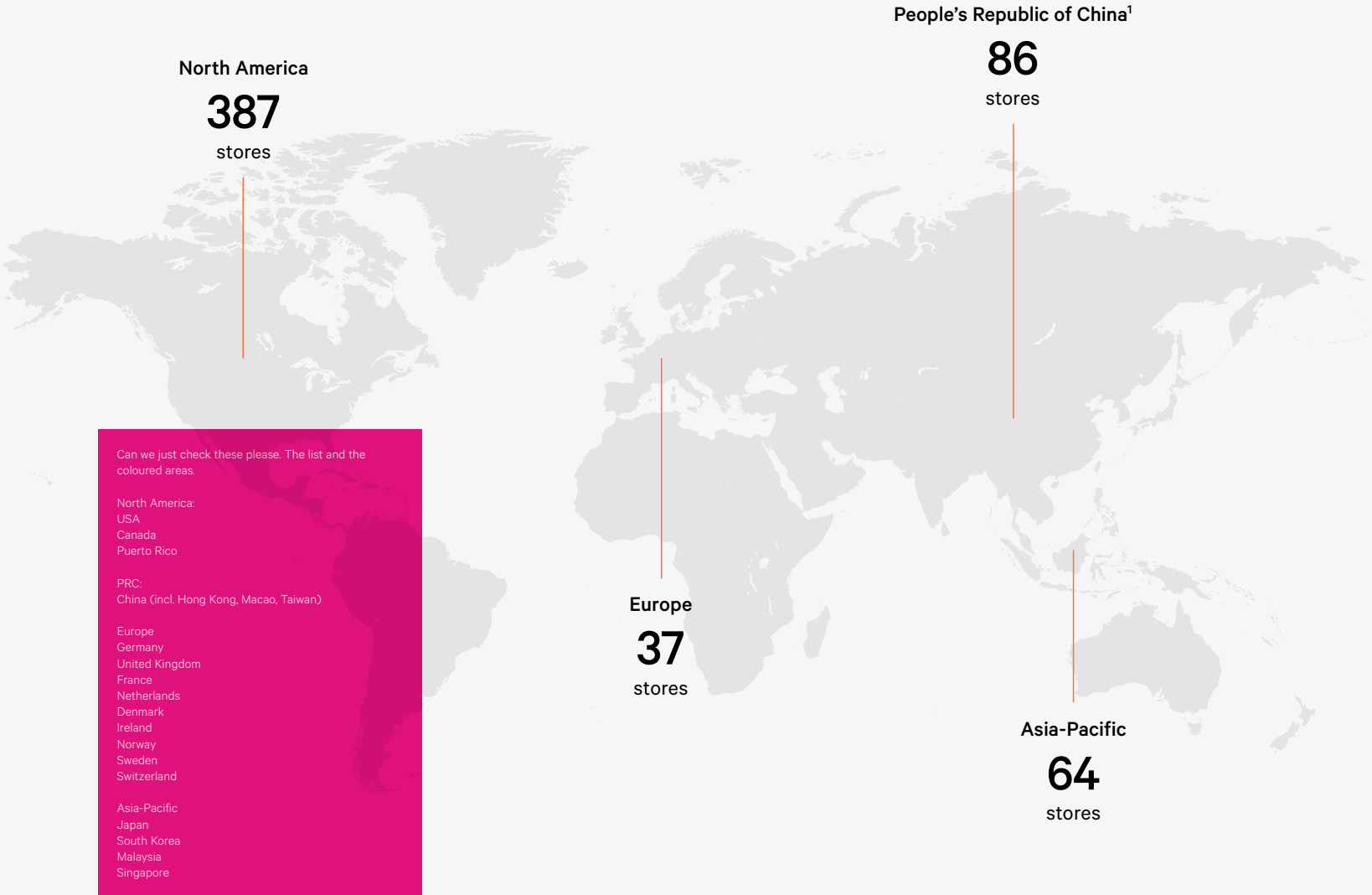
29,000+
employees

574
stores

53
new stores opened

17
countries where we have retail stores

240,000+
workers of suppliers
who make our products

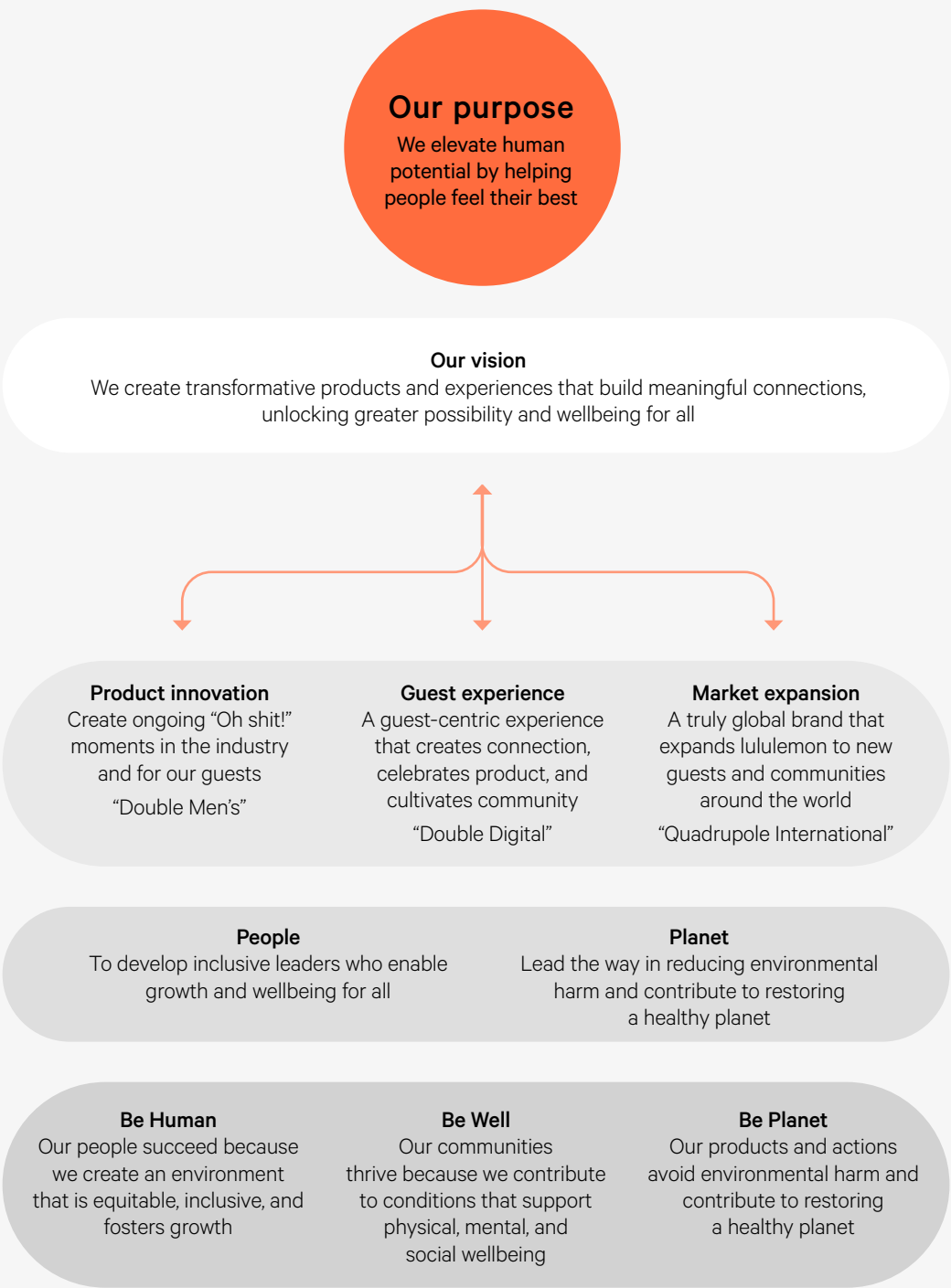


Our enterprise strategy

The **Power of Three x2** is our enterprise growth plan to 2026. It builds on the success of our achievements and speaks to the priorities that will drive revenue over the next five years. It is underpinned by our Impact Agenda.

Our **Impact Agenda** is our strategy toward a sustainable, equitable, healthy future. It guides the goals we have set to advance positive social and environmental impact as part of enacting our enterprise growth plan.

Together, the Power of Three x2 and our Impact Agenda form our enterprise strategy, a comprehensive and strategic roadmap for delivering on our purpose as a business.



Our values

Personal responsibility
We act with honesty and integrity, taking full accountability for our choices and their impact.

Inclusion
We remove barriers to equity so that everyone has a sense of belonging.

Connection
We build trusting relationships by valuing and celebrating each human’s uniqueness.

Courage
We have the heart and strength to do big, challenging, and important things for each other and our planet.

Fun
We infuse fun and laughter into all we do, which allows us to turn work into play.

Value creation model

We create societal, environmental, and economic value throughout our value chain. Below are key examples of value creation and how we track progress.



Innovation and design

We advance more sustainable materials and circular, inclusive product design, innovate manufacturing processes, and deliver guest opportunities that extend product life and divert product from landfill.



Manufacturing and supplier ecosystem

Manufacturing and supplier ecosystems contribute to economic value and job creation in countries around the world. We prioritize our work with suppliers to foster more sustainable and equitable initiatives. These include safe and respectful working conditions, as well as wellbeing and empowerment initiatives. We also work with our suppliers to improve manufacturing processes that use less water and energy, better chemistry, and more sustainable packaging solutions.



Logistics and distribution

We have six owned distribution centres and operate a global system of logistics and transportation. While pandemic supply chain challenges make this difficult, we are working to advance more carbon-efficient ways to get our products from factory to retail. We are maintaining zero waste status in our owned distribution centres and have shifted to renewable electricity by purchasing Energy Attributes Certificates (EACs) for our owned and operated facilities.



Leadership and employees

We are a team of committed people who care deeply for each other, believe anything is possible, and relentlessly pursue our growth together. We employ over 29,000 people globally. Our highest focus is on employee growth and development. Our inclusive leadership programs support employees in developing their skills and growing as leaders in the world.



Omni-channel guest experience

Our products and experiences support physical, mental, and social wellbeing. Through our omni-channel strategy, we deliver product options that meet the diverse needs of our guests, as well as experiences that strengthen community connections around the world.



Community engagement

With our Educators, ambassadors, and events, our ecosystems support thriving studios and livelihoods, as well as more equitable access to wellbeing through social impact grants and partnerships with local non-profit organizations. Globally, we build large-scale partnerships and support organizations that offer tools and resources for physical, mental, and social wellbeing.

KEY

- Be Human
- Be Well
- Be Planet

SELECT 2021 METRICS

3 innovative partnerships (Mylo™ Consortium, Genomatica, LanzaTech)

38% more sustainable materials in products

60 cross-functional leaders certified in inclusive design practice

240k+ makers

20k makers with access to wellbeing tools and resources

US \$2.4M+ on maker wellbeing programs

100% renewable electricity

6 zero waste distribution centres

5,500+ employees attended leadership training programs, including a new 1x1 coaching program

429 mentees and mentors participated in our Mentorship program

400+ new styles launched

10k+ classes on demand through MIRROR

750+ organizations collaborated with Centre for Social Impact since 2016

1.4M people accessed tools and resources for wellbeing

550+ global and store ambassadors

Our Impact Agenda guides—and is integrated into—our business strategy and operations, helping to accelerate inclusive and more sustainable progress and advance a shared culture of positive impact throughout lululemon. We recognize that the wellbeing of people, communities, and the planet are connected. This holistic approach is reflected through the three pillars of our Impact Agenda: Be Human, Be Well, and Be Planet.

We created our Impact Agenda in response to the need for businesses to deliver end-to-end impact, accelerating a step change in how our company—and the wider industry—operates.

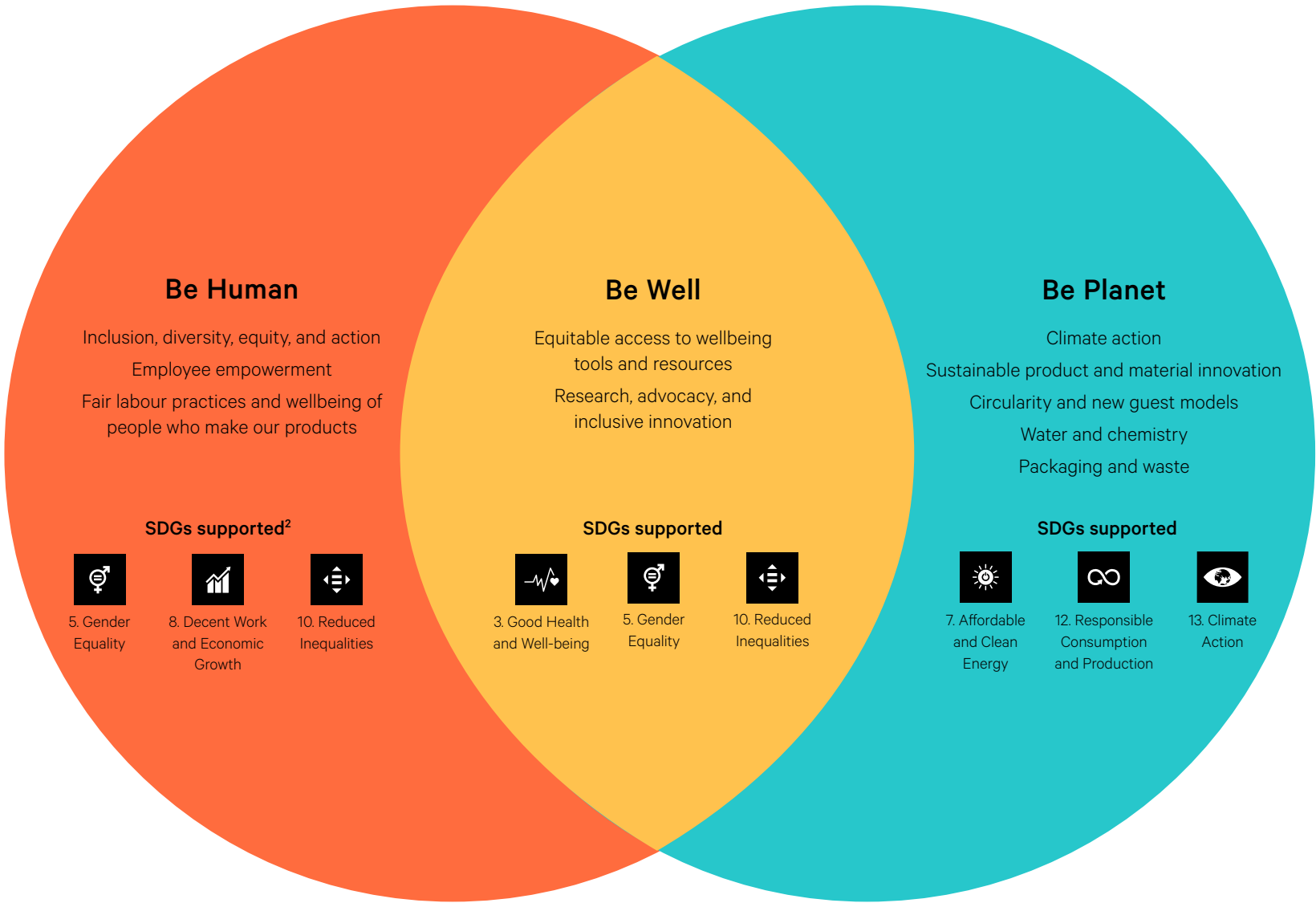
Refining our focus

To drive positive change, we must understand the global sustainability context as well as the landscape of our industry today, including the social and environmental topics that matter most to our business and stakeholders. In 2019, we conducted a materiality assessment to define key issues that would inform our strategy, laying the groundwork for meaningful, measurable action. In 2022, we conducted research and interviewed select stakeholders, including academics, non-governmental organizations (NGOs), and industry associations, to review and refresh the issues that matter most. Our analysis did not change our Impact Agenda focus areas or goals but did highlight emerging topics such as biodiversity. Detailed results of this strategic refresh can be found in the [Supplement](#).

We map each key issue to focus areas within our Impact Agenda and relevant sections of our Impact Report, ensuring our strategy and efforts target and positively impact these critical areas. To ensure alignment of our impact with global requirements, we align our three pillars with relevant United Nations Sustainable Development Goals (SDGs).

We then activate them by:

- Embedding the pillars in our culture and building accountability for actioning goals
- Leading by example and partnering to innovate for the future
- Communicating with and engaging our [collective](#)
- Collaborating and advocating for systems change



² Numbers tied to [UN Sustainable Development Goals](#)

Collaboration invites change and accelerates progress. With this in mind, we developed a governance structure that brings together diverse people who have accountability as business leaders and are passionate about transforming the current social and environmental status. We have developed a multi-level governance structure to foster collective progress against our Impact Agenda as part of our enterprise strategy. This includes activating meaningful, company-wide practices that deliver on our commitments and evolve our ambitions to stay relevant in a changing world.

GROUP	RESPONSIBILITY
Board of Directors Including: <ul style="list-style-type: none">• Corporate Responsibility, Sustainability, and Governance (CRS&G) Committee• People, Culture, and Compensation (PC&C) Committee• Audit Committee	Acts as a fiduciary to: <ul style="list-style-type: none">• CRS&G: Oversees our Impact Agenda. Reviews stakeholder engagements, reviews goals and policies, and monitors progress and ESG reporting.• PC&C: Oversees compensation, talent management, succession planning, and diversity and inclusion, as well as risk monitoring, compliance, and related activities.• Audit: Oversees risk assessments, including compliance risks to our business and supply chain, and monitoring and complying with disclosure requirements.
Executive Impact Council Inclusion, Diversity, Equity, and Action (IDEA) Advisory Council	<ul style="list-style-type: none">• CEO and Senior Leadership team, as well as members from supply chain, product, legal, brand, finance, and people and culture, led by VP Sustainable Business and Impact and VP, IDEA.• Oversees, executes, and reports on Impact Agenda and IDEA commitments.• Integrates the Impact Agenda into our business strategy.
IDEA Function	<ul style="list-style-type: none">• Sets global IDEA goals and supports a culture of inclusion to expand inclusion, diversity, and equity across the organization.• Oversees People Networks and task forces for regions and specific business functions.
Sustainable Business and Impact (SBI) Function	<ul style="list-style-type: none">• Drives social, environmental, and governance strategy across the organization.• Sets Impact Agenda strategy, goals and commitments, enterprise integration, and stakeholder management.• Works cross-functionally to advance a culture of impact and delivers progress in key areas.
Steering Committees and Advisory Groups	Includes: <ul style="list-style-type: none">• IDEA External Advisory Council: Provides expertise on programs.• Responsible Supply Chain Council: Oversees key programs for a responsible supply chain and current public developments.• Centre for Social Impact Advisory Board: Advises and provides input to strategy and key program areas.• Climate Activation Council: Drives strategy and collaboration to identify and execute a pathway to science-based targets.• Select Strategic Initiative Steering Committees: Oversee initiatives that require global cross-functional engagement, including lululemon Like New and more sustainable packaging.

RESPONSIBLE BUSINESS CONDUCT

Ethical conduct

Ethical conduct is the foundation of 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. At the same time, our [Vendor Code of Ethics \(VCoE\)](#) establishes expectations of our suppliers.

Data privacy protection

People trust us with their personal information. It is our responsibility to protect that data with strict company security policies. We also follow applicable data protection and privacy laws to ensure employees, guests, and business partners know their information is in safe hands. This is overseen by the Audit Committee, our Chief Information and Security Officer, Data Privacy Officer, and Chief Compliance Officer.

Performance-related compensation

We believe in rewarding exceptional performance. The PC&C Committee sets competitive levels of compensation to attract, retain, and motivate the most qualified directors and executive officers who contribute to success and align with our culture. As we evolve our Impact Agenda, we continue to monitor the future role ESG metrics could play in our compensation program.

A year of progress and learning

2021 represents the first full year of implementing our Impact Agenda, building on years of previous impact work. lululemon is committed to continuous learning to evolve and improve how we contribute to wellbeing for people and our planet. We achieved several impact goals, demonstrating our commitment to action.

Here is some of the progress we have made over the past year.



We maintained gender pay equity across our entire global employee population and full pay equity in the United States for the fifth year in a row.



We launched the lululemon Centre for Social Impact in 2021, which aims to break barriers that prevent access to wellbeing.



We met our Scope 1 and 2 science-based target to achieve a 60% absolute reduction of GHG emissions in all owned and operated facilities.



We procured 100% renewable electricity to power our owned and operated facilities.








We implemented ZDHC Manufacturing Restricted Substances List (MRSL) at 100% of priority suppliers in 2021, one year ahead of our target date.

A year of progress and learning

It is important to celebrate our shared wins and build on these, and to recognize progress is ongoing, with significant industry-wide challenges ahead of us. To achieve our vision, we are always innovating—building on our successes, learning from our failures, and taking every new challenge as an opportunity to learn and grow. We appreciate the connectedness of our business to the wider global context and acknowledge our impact on the future and those around us, as well as the effect that changes in important areas can have for others.

The global business environment presents challenges that can negatively impact lululemon and our ability to deliver on our Impact Agenda commitments. We approach these dynamic, complex challenges by listening, engaging with a variety of stakeholders, taking intentional steps to make change, and continuously adjusting as we learn more. In 2021, we identified our most pressing challenges, and have taken steps to address them, ensuring the best path forward.

Global challenges we are addressing:

 <p>Increasing global inequities in wellbeing.</p>	 <p>Interconnectedness of global context and events, and our business and industry operations (e.g., supply chain complexity).</p>	
 <p>Legislation and regulatory changes. Regional and national regulating bodies continue to evolve legislation on environmental, social, and due diligence topics.</p>	 <p>Shifting consumer and employee expectations and preferences (e.g., options for pre-owned products).</p>	 <p>Evolution in product and value chain traceability expectations.</p>

16 goals for
a healthier future

The wellbeing of people, communities, and the planet are intricately intertwined. We developed our Impact Agenda with these connections at the forefront: three distinct pillars designed to work together to achieve a rapid, equitable, and more sustainable transition. Driving our actions are 16 targeted goals that, together, will deliver progress toward shared wellbeing.

- KEY
- ▶ Getting started
 - ▶▶ Making progress
 - Complete
 - Off track, plans in place

PERFORMANCE DASHBOARD

Be Human	Topic	Goal	Metric	Baseline Year	Baseline	2021 Results ³	Goal	Goal Year	Status
	Inclusion, Diversity, Equity, & Action	Reflect the diversity of communities we serve and operate in	% of <u>racial diversity</u> of assistant store managers and directors ⁴	2020	21%	23%	30%	2023	▶▶
			% of <u>racial diversity</u> of all employees in global stores ⁴	2020	31%	37%	40%	2023	▶▶
	Employee Empowerment	Be the place where people come to develop and grow as inclusive leaders for the world	# of hours of paid training and volunteer time for all full-time employees ⁵	2021	13.5	13.5	40	2025	▶
		Expand full pay equity	% of employees with full pay equity	2020	100% ⁶	100%	100%	2022	●
	People Who Make Our Products	Make wellbeing programs available to makers ⁷	# of cumulative <u>makers</u> in our supply chain who participate in wellbeing programs	2021	20,000	20,000	100,000	2025	▶
		Achieve Fair Labor Association (FLA) accreditation	Qualitative	2020	Updated Vendor Code of Ethics	Completed onboarding stage	Achieve FLA accreditation	2024	▶▶
Be Well	Topic	Goal	Metric	Baseline Year	Baseline	2021 Results ³	Goal	Goal Year	Status
	Inclusive Access to Wellbeing & Advocacy	Provide access to wellbeing tools and resources	# of cumulative people reached	2021	1.4M	1.4M	10M	2025	▶▶
		Invest to advance equity in wellbeing through the lululemon Centre for Social Impact	Total amount invested	2021	\$13.7M ⁸	\$13.7M	\$75M	2025	▶▶
		Launch the lululemon Centre for Social Impact	Qualitative	NA	NA	Centre launched	Launch Centre	2021	●

³ For more information on our 2021 results, please refer to the relevant sections of the Impact Report.

⁴ Includes stores in North America, Australia, New Zealand, Europe, and Middle East.

⁵ Beyond onboarding training and mandatory compliance training.

⁶ We maintain 100% gender pay equity within our entire global employee population, meaning equal pay for equal work across genders. We have achieved pay equity across all areas of diversity in the United States and are seeking, to the extent permitted under local law and regulation, to collect the data necessary to confirm complete pay equity globally.

⁷ In 2021, we updated the language of this goal from “maker empowerment programs” to “maker wellbeing programs” as we further refined our strategy. Our goal to reach 100,000 makers is included within our goal to provide tools and resources to 10 million people.

⁸ lululemon made a US \$13.7 million contribution to the Centre for Social Impact, \$11.9 million of which has been contributed directly to social impact organizations. The remaining \$1.8 million includes \$1 million toward a Donor-Advised Fund to be advised for future grantmaking as well as operational costs.

16 goals for a healthier future

PERFORMANCE DASHBOARD

Be Planet

Topic	Goal	Metric	Baseline Year	Baseline	2021 Results ³	Goal	Goal Year	Status
Climate Action	Meet our 2030 science-based climate targets	% of absolute reduction in GHGs in all owned and operated facilities (Scope 1 and 2)	2018	18,248 tCO ₂ e	-82%	-60%	2030	●
		% of intensity reduction in GHGs in purchased goods and services, and upstream transportation and distribution (Scope 3)	2018	99.2 tCO ₂ e/net revenue from operations	+4%	-60%	2030	■
	Source renewable electricity to power our owned and operated facilities ⁹	% of renewable electricity	2018	<1%	100%	100%	2021	●
Sustainable Product & Material Innovation	Make our products with sustainable materials and end-of-use solutions	% of products made with sustainable materials	2020	27%	29%	100%	2030	▶▶
	Achieve sustainable materials for our products	% of total sustainable materials procured for our products	2020	30%	38%	75%	2025	▶▶
Circularity & New Guest Models	Offer our guests new business models that extend the life of products	% of stores in North America + piloting internationally	2021	22%	22%	100%	2025	▶
Water & Chemistry	Reduce freshwater use intensity with our priority wet process suppliers	% of reduction in freshwater use intensity	2021	126 l/kg	Baseline year	-20%	2025	▶
	Implement ZDHC MRSL at priority suppliers	% of compliance from priority suppliers with the ZDHC MRSL	2021	100%	100%	100%	2022	●
Packaging & Waste	Reduce single-use plastic packaging per unit	% of intensity reduction of single-use plastic packaging	2021	0.016kg/unit	Baseline year	-50%	2025	▶▶

KEY

- ▶ Getting started
- ▶▶ Making progress
- Complete
- Off track, plans in place

⁹ We procured 100% renewable electricity to power our owned and operated facilities, with 99% sourced in compliance with the RE100 technical criteria. However, due to unavailability of an Energy Attribute Certificate (EAC) program, lululemon was unable to source renewable electricity in South Korea. Consequently, renewable energy credits were procured from a nearby geography.

Be Human

IN THIS SECTION

- 17 Inclusion, Diversity, Equity, and Action
- 20 Employee empowerment
- 22 People who make our products





We envision an equitable world.

We are taking thoughtful steps toward a more equitable future so our guests, employees, ambassadors, and business partners, including the people who make our products (our makers) feel represented, welcome, respected, and valued. We actively create an inclusive work environment that reflects the global communities we serve. We support the safety and wellbeing of our makers, collaborating with partners and stakeholders to advance positive impact.

Be Human Chapter Illustration

"Humans are a spectrum of colours. Every human being is different, yet we all have the same point of origin—our first breath. Through energy we live, grow, and nurture our bodies. We sustain ourselves to continue the cycle of life handed down from our ancestors."

– *Jacquie Comrie, report illustrator*

Inclusion, Diversity, Equity, and Action

WHY IT MATTERS

Inclusion, diversity, and equity are foundational for shaping and building our company, industry, and communities, and for creating a shared sense of respect and belonging. This is particularly important when it comes to underrepresented groups. As an organization committed to wellbeing, we work to understand actual and perceived inequities and take action at all levels. We must widen our lens, work collaboratively, and be in a constant state of learning, unlearning, and relearning. Taking action requires us to think differently, listen intently, and understand that a “one size fits all” approach doesn’t work. By continuously developing toward an inclusive, diverse, and equitable organization, we reflect a variety of perspectives and meet the needs of the global communities we serve.



SDG 5. Gender Equality
SDG 10. Reduced Inequalities

OUR GOALS

Reflect the diversity of communities we serve and operate in by 2025. To reach that ambition, we will increase representation of racially diverse backgrounds to at least:

- 30% of assistant store managers (ASMs), directors, and above by 2023¹⁰
- 40% of all employees in our global stores by 2023¹⁰

WHAT WE’RE DOING

Inclusion, Diversity, Equity, and Action (IDEA) is complex and transformative. To have maximum impact on people, culture, and business performance, we are deliberately integrating IDEA beyond human resources into every part of our organization. This requires intentional pursuit at our most senior levels, with clear ownership and commitment to creating accountability across the business. In 2021, we refined our approach to focus on five key areas: Listening & Advocacy, Policy & Process, Programming & Initiatives, Learning & Development, and Strategy & Partnering.

By listening to employees and acting on their feedback, we make business decisions that positively impact our IDEA targets. Our CEO, as well as many of our senior leaders, continue to participate in intimate listening forums and discussions with employees, with a focus on underserved groups, and act based on what they learn. In 2021, we held nearly 50 listening and connection sessions throughout our global Store Support Centres (SSCs), retail operations, and distribution centres.

We have 10 People Networks (formerly known as Employee Resource Groups) to represent employees who have marginalized and historically underrepresented identities. Our global advisory board is made up of lululemon ambassadors who bring diverse knowledge and skills to inform our actions, hold us accountable, and drive meaningful change. We also integrate IDEA into training including IDEA toolkits to help build actionable, inclusive behaviours. Where possible, we partner with other organizations to strengthen our approaches and broaden our influence.

Inclusive design

When we design with inclusion in mind, we design for as many people as possible and honour human diversity. We strive to use inclusive design across our business, including future physical and digital workspaces, creation of employment policies and programs, marketing, and delivery of product and guest interactions.

In 2021, we launched the Inclusive Design Certification program with OCAD (Ontario College of Art & Design) University’s Inclusive Design Research Centre (IDRC). This 12-week program supports employees in applying inclusive design principles in their roles. Following the course, 94 percent of participants reported being able to articulate the business and social impact of inclusive design, and 97 percent were able to identify and mitigate common design errors that create barriers for usability.

Diverse representation

Companies traditionally focus on diverse representation, which is important but doesn’t always provide an accurate picture of the nuances of inclusion. We use a comprehensive Demographic Survey + Inclusion Index, an annual, voluntary global employee survey. This helps us understand the demographics of our employee base and assess our inclusion performance.

Our 2021 survey had a 78 percent participation rate. Results indicate we have made meaningful progress toward our representation goals of racial diversity. As of 2021, our global workforce is 38 percent racially diverse, a three percent increase from 2020. In 2021, racial diversity of employees at our global stores saw the largest increase of all functions, at six percent. Building diverse leadership is important, and we increased racial diversity of assistant store managers, directors and above, by two percent in 2021.

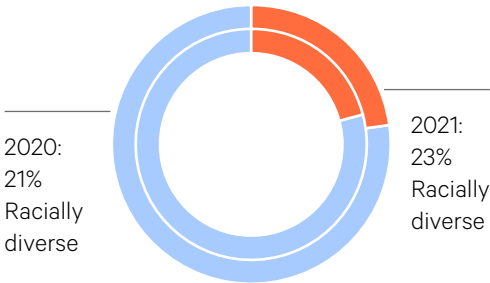
¹⁰ Includes stores in North America, Australia, New Zealand, Europe, and Middle East.

Inclusion, Diversity, Equity, and Action

We also learned that our inclusion scores increased slightly. To further this work, in 2021, we worked closely with our senior leaders to discuss inclusion opportunities and held our senior leaders accountable through function-specific objectives and key results. We also continued to roll out our company-wide IDEA education toolkits, conducted regular store and DC visits to meet with and listen to employees, and further evolved our listening channels. We acknowledge diversity and inclusion can take on different meanings depending on the region or country, so we are working on evolving our goals to better serve each community.

EMPLOYEE RACIAL DIVERSITY DATA

Director and ASM or above



Equitable solutions

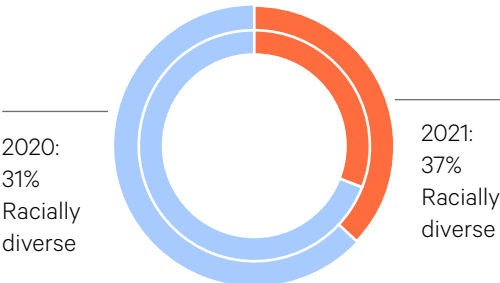
Creating a culture of inclusion requires us to address inequitable systems and processes. To this end, we launched ongoing, cyclical reviews of our policies and practices in 2021. This process, in addition to our Demographic Survey + Inclusion Index, uncovered key opportunities to address systemic barriers experienced by women of colour, and by individuals who live with mental and physical disabilities.

Supplier inclusion and diversity

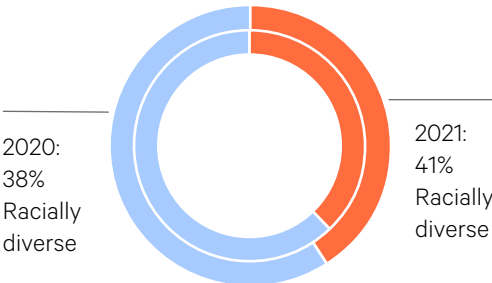
We are expanding our IDEA initiatives to our suppliers to support diverse and inclusive business growth that positively

impacts our communities. In 2021, we developed a Supplier Inclusion and Diversity Strategy, with a focus on indirect suppliers (i.e., companies that provide non-product goods and services to our stores and offices). To start, we will concentrate on US suppliers and expand globally over time. This program intends to grow engagement with companies that are at least 51 percent owned, operated, and controlled by women, underrepresented racial groups, veterans, persons with disabilities, or those who identify as LGBTQ2IA+. Our goal is to launch the program by the end of 2022.

Store employees



Store Support Centre (SSC) employees



Inclusive design for a better world

Through inclusive design, we foster innovation that promotes access to all. Inclusive design enables us to develop digital and physical products, policies, and services by, with, and for historically marginalized communities. And we build solutions that affirm and support our people globally. When we design for inclusion, we generate resilient solutions so we can adapt with changes to culture, technology, and emerging needs.

The impacts of our Inclusive Design Pilot program stretch across functions, portfolios, and global markets. For instance, last year the Futures Innovation team created an inclusive scoring matrix to select research agencies that centre on marginalized communities and use equitable design practices. Our Product and IDEA teams engaged an Inclusive Sizing Advisory Board to ensure the many identities and lived experiences of our diverse collective are represented in our approach to product size assortment and stance on body neutrality. Our Product team applied these learnings to outfit Team Canada's Olympic and Paralympic athletes in lululemon's first Olympic Games as the official outfitter.

Inclusive design also propels our partnership with the [Adaptive Training Foundation \(ATF\)](#), a training facility in Texas for people with disabilities. They are participating in a field-testing program developed and launched by our Product Design team and are providing feedback on how to adapt our gear to people with disabilities. Internally, our People and Culture team co-designed key aspects of our evolved talent development philosophy with employees from underserved communities. By centering their voices through the creation of the processes and policies used to manage performance and develop talent, we work to ensure any unique barriers they experience are addressed and lifted.

We are committed to being in a community of practice that designs inclusively through participatory approaches and building relationships to get to community-driven solutions that bring joy and equity to all. In the coming years, we will be deepening our learning and practice of inclusive and equitable design.

