lululemon

Impact Report 2024

Introduction

About Our Report 3
Message from Our CEO 4
2024 Highlights 5
Goal Progress 6

Be Human

Employee Growth and Empowerment 8
People Who Make Our Products 10

Be Well

Wellbeing 13

Be Planet

Climate Action 16
Product and Material Innovation 21
Circularity and New Guest Models 25
Water and Chemistry 27
Packaging and Waste 29

Impact Agenda 2030

Impact Agenda 2030 (IA2030) 31

Appendix

Glossary 33
Forward-looking Statements 34
The Artist 35
Contact 35

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About Our Report

In this report, we outline our 2024 progress against publicly stated goals as well as initiatives and performance data related to environmental, social, and governance (ESG) topics. We also introduce our new Impact Agenda 2030 (IA2030) strategy and related goals. As part of IA2030, some existing goals have been updated or retired, as noted in the report. Additional details can be found in individual chapters and in Impact Agenda 2030.

About lululemon

Established in 1998, lululemon is primarily a performance apparel company that designs, distributes, and retails athletic and lifestyle products. We develop innovative products and services for our varied markets, and support people, communities, and our partners in creating initiatives for a healthy, inclusive future.

Report Scope and Content

The content in this report covers our 2024 fiscal year, from January 29, 2024 to February 2, 2025 (referred to as “2024”), unless otherwise noted. Where a different "as of" date applies, we indicate it in context.

In this report, lululemon athletica inc. (together with its subsidiaries) is referred to as "lululemon," "our company," "our business," "we," "us," or "our." Sections of this report may have information related to our own operations (e.g., facilities or business activities where lululemon has direct operational control such as our offices, company-operated stores and distribution centres, e-commerce, and Guest Education Centres[1]) as well as information related to third parties, including product suppliers, transportation and logistics, and external organizations with whom we engage. When referring to external organizations in this report, it is our practice to defer to the language they use to describe their work. Monetary amounts in this report are presented in U.S. dollars, unless otherwise noted.

In 2024, we acquired the lululemon-branded retail locations (14 stores) and operations run by a third party in Mexico.[2] Data from these operations, as well as our global franchises, has been included where applicable, unless otherwise indicated.

DATA, ESTIMATES, AND METHODOLOGIES

Non-financial information in this report—including ESG and operational metrics—has inherent limitations, as standards and measurement approaches continue to evolve. Except as expressly stated, information and metrics in this report are unaudited, may include estimates or sampling, involve rounding, and in some cases rely on information from partners, suppliers, or other third parties. Methods, definitions, and system boundaries used for sustainability reporting differ from those used in our financial reporting, and may be updated from time to time.

We continually review our methodologies, baselines, and datasets to improve accuracy, completeness, and comparability. As those evolve, we may update prior-period metrics, including our baseline values, to reflect improved data quality, updated emission factors or calculation tools, refinements in organizational or operational scope (e.g., acquisitions), or other changes in measurement practice. We maintain internal reporting policies and controls to evaluate the significance of such changes before publishing updates. Where we make a material change, we indicate it in context and, when practical, describe the nature of the change and its effect.

ASSURANCE

We obtained limited assurance from PwC on 2024 Scope 1 and Scope 2 (location-based and market-based) greenhouse gas (GHG) emissions. See more in our Assurance Statement. All other information in this report is not assured unless expressly stated otherwise.

RELATED INFORMATION

A Glossary appears in the Appendix. Defined terms in chapters link to the Glossary on first mention.

We have shifted some content historically shared in our Impact Reports to our website. Details on impact governance, strategic initiatives, and stakeholder engagement are available on the website; see links below. Information on our website may be updated from time to time and is not incorporated by reference into this report unless expressly stated.

The 2024 Impact Data & Indices Supplement contains additional metrics related to climate, as well as disclosures in reference to the Global Reporting Initiative (GRI) (including our 2024 materiality approach update) and the Sustainable Accounting Standards Board (SASB) Apparel, Accessories & Footwear Standard, as well as the Task Force on Climate-related Financial Disclosures (TCFD).[3]

MATERIALITY NOTE

The inclusion of information in this report should not be construed as a characterization of materiality for securities law purposes. These disclosures are intended for sustainability reporting and may differ from materiality determinations in our filings with the U.S. Securities and Exchange Commission.

FIND OUT MORE

2025 CDP Disclosure

2024 Impact Data & Indices Supplement

Impact Governance

Partnerships and Memberships

Reporting and Disclosure

Stakeholder Engagement

[1] "Guest Education Centres" refer to lululemon's customer service teams.
[2] See more about the acquisition of our Mexico stores in the 2024 Annual Report.
[3] SASB and TCFD were incorporated into the IFRS Foundation's International Sustainability Standards Board (ISSB) in 2022 and 2023 respectively.

Message from Our CEO

At lululemon, our commitment to create positive change has guided our impact work over the past five years and continues to shape everything we do. We operate our business with integrity and purpose, and remain focused on advancing impact in the areas of greatest relevance to our company and guests, and where we can deliver the most meaningful results.

As we share our 2024 Impact Report, we are proud of the progress we have achieved and the people and partnerships who have made it possible. We are also pleased to introduce Impact Agenda 2030—a renewed vision and refreshed set of goals intended to guide the next chapter of our journey. Impact Agenda 2030 is informed by and reflects the learnings we have gained since launching our first Impact Agenda in 2020, including insights from our impact work over the last year.

OUR PROGRESS AND 2024 HIGHLIGHTS

- For our people, we expanded our parenthood benefits around the world, including introducing new family-forming offerings; maintained pay equity;[4] and continued to support our collective through our IDEA[5] work and ongoing training and learning opportunities.
- Through lululemon Gives, formerly known as the lululemon Centre for Social Impact, we partnered with more than 160 social impact organizations and achieved our goal by reaching over 10 million people with access to wellbeing tools and resources.[6]
- For our planet, between 2020 and 2024, we nearly doubled the percentage of products procured with at least 25% preferred materials by weight, and achieved our recycled polyester target ahead of schedule. Preferred materials are now incorporated in some of our most iconic products, demonstrating that these solutions can be scaled while maintaining product quality and performance.
- We continued to advance materials innovation through long-term partnerships, including our ongoing work with Samsara Eco to support the scale-up of enzymatic recycling of nylon 6,6 and polyester. In March 2025, we also announced a new multi-year collaboration with ZymoChem to help commercialize and scale plant-based inputs for nylon 6,6.
- To further our climate action, earlier this year we set a new target that, by 2030, 50% of electricity consumption among our core Tier 1 and Tier 2 suppliers[7] will be sourced as renewable. In support of this transition, we sponsor the Clean Energy Procurement Academy, an initiative of the Clean Energy Buyers Association, to support suppliers through renewable energy procurement training.

We recognize that progress is not always linear and requires operating with resilience and adaptability. We also know that industry solutions cannot be realized alone and depend on the innovations we pursue—along with our partners—and the accountability we uphold.

Progress often requires new solutions and deeper collaboration, and while many of our goals and initiatives have gained momentum, others have been updated to reflect our learnings.

OUR 2030 IMPACT AGENDA

As we continue to navigate a dynamic macro environment that is marked by global supply chain pressures, climate change impacts, and geopolitical and social tensions, we are focused on advancing solutions that are integrated, scalable, and enduring.

In this report, we share Impact Agenda 2030, which lays out our impact vision and strategy for the next five years. It reflects the lessons and achievements we carry forward, as well as the ambition we believe is possible when collaboration and innovation come together.

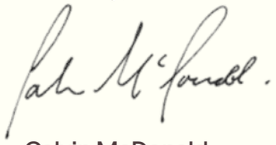
At its heart, Impact Agenda 2030 reaffirms two critical pillars that continue to guide our approach to our impact work: people and planet. These pillars shape our decisions, direct our impact priorities, and ensure our actions remain aligned with where we can add the greatest value.

Guided by these pillars, Impact Agenda 2030 focuses our efforts on six impact areas: wellbeing for employees, supply chain workers, and communities; and climate action, circular innovation, and nature. Taken together, these efforts reaffirm our commitment to creating impact that is focused, measurable, and relevant. This includes updated goals that build on our progress to date, as well as a framework to address emerging priorities.

We acknowledge and are grateful for the continued trust of our stakeholders, who hold us accountable and reinforce our responsibility to continue advancing this work. We recognize we have more to do and remain committed to sharing our progress along the way.

Thank you to our lululemon teams, leaders, and partners for your passion, hard work, and dedication that have made these results possible. We look forward to building on our momentum together in the years ahead.

Sincerely,



Calvin McDonald
Chief Executive Officer

[4] When we use the term "pay equity," we mean equal pay for equal work. Full pay equity includes gender and race. We have achieved gender pay equity globally and full pay equity in the United States and have continued to maintain it based on periodic analysis. Our analyses are point-in-time and may vary as workforce composition and roles evolve.
[5] IDEA—Inclusion, Diversity, Equity, and Action.
[6] "Reaching over 10 million people" reflects the number of individuals who received services from the lululemon Centre for Social Impact (in 2025, the lululemon Centre for Social Impact became lululemon Gives) partners or actively participated in partners' programming between 2021 and 2024. The figure is based on data self-reported by partners and uses a conservative approach intended to minimize double counting. Our progress toward this goal includes worker wellbeing programs. See more in Be Well and People Who Make Our Products.
[7] Core suppliers are Tier 1 and Tier 2 suppliers representing over 75% of our production volume.

2024 Highlights

BE HUMAN

100+ People Network events

Our 11 People Networks held more than 100 events open to ~39,000 employees.[8] These events focused on building connection and supporting personal and professional development.

85,000 workers in wellbeing programs

From 2021 to 2024, ~85,000 workers participated in wellbeing programs, primarily through our Vendor Grant program.[9]

Leadership development

We hosted more than 1,000 lululemon people leaders at our week-long Leadership Summit designed to foster connection, strengthen leadership capabilities, and deepen alignment with our global business strategy.

BE WELL

10.2 million people reached through the lululemon Centre for Social Impact

We achieved our 2025 goal a year early, reaching more than 10 million people from 2021 to 2024 with access to wellbeing resources through partnerships with charitable organizations.[10]

$71 million investment in wellbeing

From 2021 to 2024, the lululemon Centre for Social Impact contributed $45.5 million to social impact organizations and $25.5 million primarily to a donor-advised fund for future grant making.[11]

160+ social impact organizations

The lululemon Centre for Social Impact provided funding to more than 160 social impact organizations in 2024.

BE PLANET

77% recycled polyester

We achieved our target of sourcing at least 75% recycled polyester one year early.

ZymoChem collaboration

We began a multi-year collaboration with biotechnology company ZymoChem to help commercialize and scale up the use of a plant-based version of nylon 6,6 (as an alternative to petroleum-based nylon 6,6).

Regenerative cotton

We made a charitable contribution to Conservation International to support cotton farmers' transition to regenerative practices and the reforestation of degraded land.

[8] This includes all full-time and part-time employees.
[9] This metric is also applied toward our goal to provide wellbeing tools and resources to more than 10 million people by 2025. See more in Be Well. Data is self-reported by supplier grantees. We use a conservative approach intended to minimize double counting. See more about the types of wellbeing programs offered in People Who Make Our Products.
[10] "People reached" reflects the number of individuals who received services from the lululemon Centre for Social Impact (in 2025, the lululemon Centre for Social Impact became lululemon Gives) partners or actively participated in partners' programming. This figure is based on data self-reported by partners and uses a conservative approach intended to minimize double counting. Our progress toward this goal includes worker wellbeing programs. See more in Be Well and People Who Make Our Products.
[11] Our donor-advised fund is operated by a third-party charitable organization. We contribute to the fund and advise on its distribution. The funds allocated toward our $75 million goal are intended to be distributed by the end of our target year (fiscal year 2025). See more in Be Well.

Goal Progress

In 2020, we released our initial Impact Agenda, with goals and targets to drive environmental and social actions, while supporting innovation and business resilience. We report on progress toward these goals, along with the status of each.

A high-level snapshot of our 2024 progress can be found in the table below. See chapters linked below for details on baselines and year-over-year results. Note: This table does not include goals with target years prior to 2024. Details on goals with earlier target years can be found in our 2023 Impact Report.

Some goals (as referenced in the Status column) will not be reported on in future years or will be updated as part of our new Impact Agenda 2030 (IA2030) strategy. See more on these changes, as well as new 2030 goals, in the individual report chapters and in Impact Agenda 2030.

Pillar	Focus area	Goal	2024 results	Target year	Status
Be Human	People Who Make Our Products	Make wellbeing programs available to workers: a cumulative total of 100K workers who participate in wellbeing programs[12]	85K	2025	In Progress
		Achieve Fair Labor Accreditation	Accreditation	2024	Target Met
Be Well	Wellbeing	Provide access to wellbeing tools and resources: a cumulative total of 10M people reached through the lululemon Centre for Social Impact[13]	10.2M	2025	Target Met
		Invest to advance equity in wellbeing through the lululemon Centre for Social Impact: $75M invested	$71M[14]	2025	In Progress
Be Planet	Climate Action[15]	Meet our Scope 1 and 2 science-based climate target: 60% absolute reduction in GHG emissions in our own operations from a 2018 baseline[16]	-73%	2030	Target Met
		Meet our Scope 3 science-based climate target: 60% intensity reduction in GHG emissions in purchased goods and services, and upstream transportation and distribution from a 2018 baseline[17]	-29%	2030	In Progress
	Product and Material Innovation	Make our products with preferred materials and end-of-use solutions: 100% of products procured containing at least 25% preferred materials by weight	53%	2030	Updated for IA2030[18]
		Achieve preferred materials for our products: 75% of total preferred materials procured for our products	60%	2025	Updated for IA2030[19]
	Circularity and New Guest Models	Offer guests new business models that extend the use of products: 100% of company-operated stores in North America offering Like New[20]	84%	2025	Updated for IA2030[21]
	Water	Reduce freshwater use intensity with our priority wet process suppliers: 20% reduction of freshwater use intensity from a 2021 baseline[22]	-7%	2025	Retired[23]
	Packaging	Reduce single-use plastic packaging per unit: 50% intensity reduction of single-use plastic packaging from a 2021 baseline[24]	-14%	2025	Retired[23]

[12] This metric is tracked primarily 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 by supplier grantees. We use a conservative approach intended to minimize double counting. See more in Be Well and People Who Make Our Products.
[13] "People reached" reflects the number of individuals who receive services from the lululemon Centre for Social Impact (in 2025, the lululemon Centre for Social Impact became lululemon Gives) partners or actively participate in partners' programming. Figures are based on data self-reported by partners and use a conservative approach intended to minimize double counting. Our progress toward this goal includes worker wellbeing programs. See more in Be Well and People Who Make Our Products.
[14] We have contributed $71 million (cumulative since 2021) to the lululemon Centre for Social Impact, $45.5 million of which has been contributed directly to social impact organizations. The remaining $25.5 million primarily consists of contributions toward a donor-advised fund for future grant making.
[15] These near-term science-based targets are validated by the Science Based Targets initiative (SBTi), which develops standards, tools, and guidance that allow companies to set GHG emissions reduction targets. Climate data is reported on a calendar-year basis. A large portion of our climate data is provided by suppliers through a third-party system based on the calendar year. Therefore, climate data does not currently align with lululemon fiscal year dates.
[16] Our target reflects Scope 2 market-based emissions. The 2024 Impact Data & Indices Supplement contains both market-based and location-based Scope 2 emissions. We have restated our target baseline and interim year emissions to reflect key updates from the reporting year, in line with our baseline reporting policies and the Greenhouse Gas (GHG) Protocol. For details, see the climate section of the 2024 Impact Data & Indices Supplement. Limited assurance was provided over 2024 Scope 1 and 2 GHG emissions. See our Assurance Statement.
[17] Our Scope 3 target 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. This exceeds the SBTi requirement of including at least two-thirds Scope 3 emissions. We have restated our target baseline and interim year emissions to reflect key updates from the reporting year, in line with our baseline reporting policies and the GHG Protocol. For details, see the climate section of the 2024 Impact Data & Indices Supplement.
[18] Going forward, as part of Impact Agenda 2030, we are adjusting this goal. We will update the target from a 100% target to a 90% target. We will also remove the "end-of-use" terminology from this goal as we are introducing another 2030 goal focused on extending the use of products. See more in Product and Material Innovation and Impact Agenda 2030.
[19] Going forward, as part of Impact Agenda 2030, we will no longer report on this as a goal. We will maintain our material sub-targets as part of the overall 2030 preferred materials goal. See more in Product and Material Innovation and Impact Agenda 2030.
[20] "New business models" refer to offerings for guests to extend the use of their products (e.g., initiatives related to product care, reuse, trade-in, and repair) and help progress toward a circular economy. The scope of this goal excludes outlets, pop-ups, and stores in Mexico. Like New is currently offered only in the United States and is not available in Canada. See more in Circularity and New Guest Models.
[21] Going forward, as part of Impact Agenda 2030, we will no longer report on this as an official goal, as we are integrating it into an updated Impact Agenda 2030 goal focused on extending the use of products. See more in Circularity and New Guest Models and Impact Agenda 2030.
[22] Water data is reported on a calendar-year basis. A large portion of our water data is provided by suppliers through a third-party system based on the calendar year. Therefore, water data does not currently align with lululemon fiscal year dates.
[23] Going forward, we will no longer report on these water and packaging goals. See more about our ongoing water and packaging initiatives in Water and Chemistry and Packaging and Waste.
[24] Both our product and non-product plastic packaging (e.g., e-commerce, transport) refer to total packaging procured. Data is self-reported by suppliers. This data excludes our shoppers, which are the bags provided to guests when making purchases in our stores.

Be Human

8 Employee Growth and Empowerment
10 People Who Make Our Products

Employee Growth and Empowerment

Our Approach

People are fundamental to our business. Developing our people helps us innovate, achieve business growth, stay resilient through change, and fulfill our brand purpose of elevating human potential.

We strive to create a workplace where individuals feel respected and valued, and have the resources and support to grow and thrive. Our approach is multi-tiered, focusing on elevating employee wellbeing through a culture of high performance and high care, supported by learning and development, listening, and a culture of inclusion. This includes competitive compensation, comprehensive benefits packages, wellbeing support, and access to personal and professional opportunities.

Goals

We achieved global gender pay equity in 2018, and in 2020 we set a goal to expand gender pay equity to full pay equity (including gender and race) in the United States. Since then, we have maintained gender pay equity globally and full pay equity in the United States based on periodic analysis.[25] We continue to track it as an ongoing goal. We strive to maintain equal pay within our global employee population, meaning equal pay for equal work, by geography.

Since 2020, we have been working to better reflect the diversity of the communities we serve and operate in. Our 2023 Impact Report highlighted meaningful progress, including increased representation across store and leadership roles. While some milestones have been achieved, others continue to guide our inclusion efforts as part of our long-term commitment. We regularly evaluate and evolve our internal programs.

See What's Next for information about our 2030 employee goals.

What We're Doing

EMPLOYEE WELLBEING

We provide a range of benefits to support employee wellbeing. These may include health and dental coverage, retirement savings plans, and an employee share purchase plan. Our Sweaty Pursuits benefit provides both part-time and full-time employees with monthly allowances to participate in fitness activities. We also offer all eligible global employees competitive paid time off and sick leave, including up to six months of paid parental leave. In 2024, we expanded our parenthood benefits by enhancing our parental leave program and providing new offerings to support employees who are forming families.

We also continued to provide financial support through our We Stand Together Fund, offering assistance to employees experiencing personal or disaster-related hardships.

EMPLOYEE LEARNING AND DEVELOPMENT

lululemon strives to be a place where people come to develop and grow as inclusive leaders. We offer many types of learning experiences to full-time, part-time, and fixed-term employees. Below are a few of the ways we support employees' personal growth, strengthen their skills in their current roles, and fuel their career progression.

- **Purpose, Vision, and Goals (PVG) program:** PVG is a multi-format program open to all employees. It combines self-paced online learning with facilitated sessions designed to

[25] When we use the term "pay equity," we mean equal pay for equal work. Our analyses are point-in-time and may vary as workforce composition and roles evolve.

support employees in declaring their personal purpose, articulating a guiding life vision, and creating goals.

- **Leadership development:** We offer leadership development through:
  - **Coaching and mentorship programs:** Through our professional one-to-one coaching program, we train coaches as internal resources for employees at all levels and offer on-demand courses, executive coaching, and long-term programming. We also offer a separate mentorship program that supports career exploration, development, and progression.
  - **The Exchange:** Our two-way job shadowing experience is intended to foster deep connections between our retail and Store Support Centre[26] leaders. This program supports leaders in building relationships, exchanging key insights, and enhancing organizational leadership capabilities.
  - **Leader Series:** As part of their onboarding, all people leaders are enrolled in our Leader Series program to support them in fostering connected, high-performing teams. In 2024, we also held a week-long Leadership Summit for lululemon leaders. Programming included skills development for inclusive leadership and training on building connections.
- **Impact Fellowship program:** This program connects employees with non-profit partners supported by the lululemon Centre for Social Impact (which became lululemon Gives in 2025; see Be Well). Employees selected as Impact Fellows retain their lululemon employment status while taking on a temporary three-month role with a non-profit organization, matched to the skill sets and experience the organization requires. In 2024, nine lululemon Impact Fellows worked with organizations such as All Kings, the National Alliance on Mental Illness (NAMI), and PATH.

INCLUSION FOR ALL

We believe that meaningful employee engagement is foundational to a thriving, inclusive workplace. In 2024, we continued to offer all employees inclusion-focused education and training, and facilitated discussions on topics such as preventing bias, ensuring equal opportunity, and fostering inclusive leadership behaviors. We see strong engagement in inclusion-focused education and training across our global employee base.

We implemented an ongoing feedback approach to gain insights into our workforce composition and gather measurable data on employees' feelings of engagement, inclusion, and belonging. We regularly review our policies, programs, and practices to help ensure they support a fair and inclusive workplace. We also hold listening forums—two-way dialogues between leaders and employees. These sessions are a key way to reach our employees and collect feedback.

Examples of other offerings include:

- **Inclusion, Diversity, Equity, and Action (IDEA) Toolkits:** These toolkits are available to all employees. They were created to support team awareness, knowledge, and skill building on key concepts such as personal responsibility, belonging, and accessibility. Since 2021, these toolkits have been viewed more than 90,000 times.
- **Inclusive and equitable design and accessibility:** Our annual Inclusive and Equitable Design program equips team members with practical tools to apply inclusive design methods to their work, helping prevent common design errors that create accessibility barriers. In 2024, we expanded the program into a two-day in-person experience focused on integrating these methods throughout our business. One key approach included participatory design methods, including co-creating with end users. More than 90 percent of surveyed participants reported they are very likely to apply what they learned from the program.
- **People Networks:** We continued offering People Networks (PNs), which are employee-led communities open to all. They were created to offer space to build connection and support personal and professional development. We have 11 PNs: Asian; Black; Body Inclusivity; Chronic Illness, Mental Health, & Disabilities; Global Women; Indigenous; Jewish; Latine; LGBTQ2IA+; Middle Eastern and North African; and South Asian. In 2024, our People Networks hosted more than 100 events.
- **Women Of:** Since 2023, this program has elevated and supported women by honoring their journeys, amplifying their leadership, and driving meaningful change across lululemon.

WHAT'S NEXT

For Impact Agenda 2030, we plan to focus on elevating employee wellbeing through our culture of high performance and high care. We are introducing a 2030 goal to achieve top quartile performance[27] in employee inclusion and wellbeing. This will be measured using employee survey results.

We also have a goal to continue to maintain gender pay equity globally and full pay equity in the United States.[28] See Impact Agenda 2030.

FIND OUT MORE

Employee Wellbeing

IDEA

2024 Impact Data & Indices Supplement

Partnerships and Memberships

[26] "Store Support Centre" refers to lululemon's head office operations.
[27] Top quartile performance will be measured via the results of a third-party retail industry benchmark.
[28] "Pay equity" refers to equal pay for equal work. Full pay equity includes gender and race. We have achieved gender pay equity globally and full pay equity in the United States and have continued to maintain it based on our periodic analysis. Our analyses are point-in-time and may vary as workforce composition and roles evolve.

People Who Make Our Products

Our Approach

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

We strive to work with suppliers that share our values and collaborate with us to uphold ethical standards, address systemic challenges, and support the wellbeing of workers in the supply chain.

lululemon's Responsible Supply Chain (RSC) program advances our commitment to fair labor practices. It is based on the principles of the OECD Due Diligence Guidance for Responsible Business Conduct and is designed to identify, cease, prevent, and/or mitigate supply chain risks.[29] Our RSC program is built on three pillars:

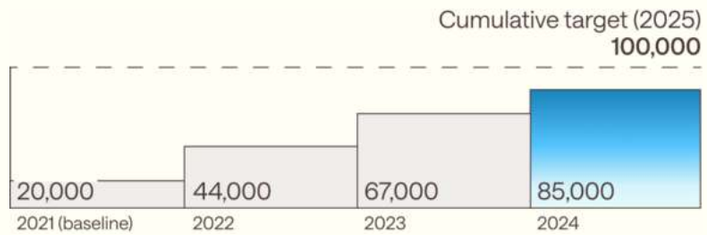
- **Monitoring:** Assessing and, in collaboration with suppliers, improving working conditions in facilities
- **Integration:** Integrating responsible purchasing practices across key lululemon strategies, processes, and tools
- **Collaboration:** Working with multi-stakeholder organizations, industry,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

Goals

Goal: Make wellbeing programs available to workers. (In progress)

- 100,000 workers who participate in wellbeing programs by 2025

Cumulative number of workers participating in wellbeing programs



Cumulatively, approximately 85,000 workers have participated in wellbeing programs since 2021. This metric is tracked primarily through our Vendor Grant program, which provides supplier facilities with funding for projects focused on wellbeing for their workers. The number of workers participating in these programs is self-reported by supplier grantees.[30] See Collaboration for examples of wellbeing programs in 2024.

In our 2025 Impact Report, we plan to report on the final year of progress for this goal. We also plan to continue building on this goal, with the aim of extending our reach further. See What's Next for more information.

Goal: Achieve Fair Labor Accreditation by 2024. (Met)

We began working toward this goal in 2020 and were accredited by the Fair Labor Association (FLA) in 2024. According to FLA, accreditation indicates a company's comprehensive due diligence and demonstrated performance in protecting workers' rights at the time of accreditation. Fair Labor Accreditation includes an evaluation of the alignment of a company's social compliance systems with FLA standards, and the company's performance in executing those systems to support and protect workers.

To earn Fair Labor Accreditation, companies must meet a series of milestones that mark progress in implementing, monitoring, and remediating workplace standards based on FLA's Fair Labor Practices and international human rights frameworks. Since earning Fair Labor Accreditation, we have entered Milestone 5: the maintenance phase. See more in What's Next.

What We're Doing

MONITORING

We are committed to responsible business conduct and to acting ethically and with integrity in our business dealings. Our Vendor Code of Ethics (VCoE) outlines our expectations of suppliers, and our policies are informed by international human and labor rights standards and guidelines.[31] See more on the Policies and Guidelines page of our website.

[29] 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.
[30] This self-reported data is also applied toward our goal to provide wellbeing tools and resources to more than 10 million people by 2025. We use a conservative approach intended to minimize double counting. See Be Well.
[31] This includes the 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 and Its Follow-up, ILO Indicators of Forced Labour, and OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

We approve new suppliers and facilities only if they meet the requirements of our New Vendor Approval Process, which evaluates adherence to worker rights and labor practices (as outlined by the VCoE), environmental practices, and core business factors such as quality, sourcing, and production at the facility level.

In 2024, we worked with approximately 52 Tier 1 suppliers and approximately 67 Tier 2 suppliers. 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 South Korea. For a list of our Tier 1 supplier facilities, strategic Tier 2 supplier facilities,[32] and select Tier 1 subcontractors, see our latest Supplier List.

Tier 1 and Tier 2 supplier facilities producing for lululemon are regularly assessed against the requirements of our VCoE and Benchmarks.[33] We aim to assess these facilities every 12 months. We may conduct follow-up assessments to verify remediation of identified non-compliances or grievances.

In 2024, we carried out approximately 400 RSC assessments (including initial, annual, and follow-up assessments), which were conducted by our internal RSC team, third parties approved by lululemon to assess supplier facilities, and FLA. When an issue is flagged in an assessment, we require suppliers to develop Corrective and Preventative Action Plans (CAPAs). See more in the 2024 Impact Data & Indices Supplement and on the Reporting and Disclosure (Responsible Supply Chain section) page of our website.

INTEGRATION

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

As an accredited, participating company of FLA, we are part of a global effort to work toward fair compensation. We believe that workers should earn a fair compensation within regular working hours, enabling them to have a decent standard of living, in alignment with the living wage definition from the Global Living Wage Coalition.[34] See more on the Supplier Programs page of our website.

COLLABORATION

SUPPORTING WORKER WELLBEING

The supplier facilities across the lululemon supply chain employ over 280,000 workers—more than 77 percent of whom are women. We aim to support the wellbeing of workers through grants and programs focused on gender equity and wellbeing in the workplace.

Through our Vendor Grant program, we work directly with eligible suppliers to help fund projects. Suppliers apply for project grants, with lululemon providing up to 50 percent of the funding for successful applications. In 2024, we contributed $347,000 toward 21 projects, including:

- **Physical and mental wellbeing:** This included yoga and movement programs, as well as mental health support programs, in supplier facilities in China Mainland, Peru, Sri Lanka, Taiwan, and Vietnam.
- **Women's health:** Projects focused on education in reproductive health and support for workers who are nursing or pregnant, and were held in supplier facilities in Cambodia, China Mainland, Indonesia, Sri Lanka, and Vietnam.
- **Leadership development:** Programs focused on leadership skills development for women were held in supplier facilities in Cambodia, China Mainland, and Peru.

Through the lululemon Centre for Social Impact, we also support organizations that focus on the wellbeing of workers and those in their communities. See Wellbeing for additional grants. Examples of partnerships in 2024 include:

- CARE's Made by Women, which supports programs for women in the garment industry, ranging from leadership skills development to gender-based violence prevention
- The Resilience Fund for Women in Global Value Chains, a pooled funding initiative that invests in the long-term health, safety, and economic resilience of women working in global value chains, including research on gender and climate resilience

In 2024, lululemon became a member of RISE (Reimagining Industry to Support Equality), an initiative that supports collaborative industry action at scale, to advance gender equality in global garment, footwear, and home textiles supply chains.

We also funded a study conducted by Women Win to understand how the mental health of women workers in garment supply chains relates to overall wellbeing.[35]

WHAT'S NEXT

For Impact Agenda 2030, we will continue supporting supply chain worker rights and wellbeing for their communities. Our new goal is to provide 200,000 participants between 2026 and 2030 with programs across supplier communities to advance gender equity, financial resilience, and worker engagement.[36] "Participants" refer to workers in our suppliers' facilities, the communities where they live, and broader communities connected to the apparel industry.

These programs may include strategic partnerships, research funding, projects in supplier facilities, and participation in industry initiatives. See more in Impact Agenda 2030. We also continue to focus on our 2025 goal to make wellbeing programs available to 100,000 workers between 2021 and the end of fiscal year 2025.

As part of the FLA's post-accreditation (Milestone 5) evaluation process, FLA plans to continue to assess us annually to verify alignment with their standards and principles.

FIND OUT MORE

2024 Impact Data & Indices Supplement

Reporting and Disclosure

Supplier Inclusion and Diversity

Supply Chain Wellbeing

[32] Strategic Tier 2 supplier facilities account for approximately 80% of our Tier 2 supplier facilities measured by volume (excluding trims, packaging, and footwear raw materials).
[33] This excludes trims, packaging, and footwear raw materials facilities, which are re-assessed based on risk.
[34] The Global Living Wage Coalition defines a living wage as "remuneration received for a standard work week by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family." Elements of a decent standard of living include food, water, housing, education, health care, transportation, clothing, and other essential needs, including provision for unexpected events.
[35] Women Win, Understanding Drivers and Prohibitors of Women Garment Workers' Mental Health & Wellbeing.
[36] This goal will be measured based on the number of participants who receive services from grantees of the lululemon Centre for Social Impact (in 2025, the lululemon Centre for Social Impact became lululemon Gives), or those who actively participate in grantees' programming. Participant numbers will be self-reported by grant recipients. Participants may be counted more than once if they take part in multiple initiatives over the years.

Be Well

13 Wellbeing

Wellbeing

Our Approach

According to lululemon's 2024 Global Wellbeing Report, global wellbeing levels have not improved in the last four years.[37] However, the report also found that community and movement offer opportunities to increase wellbeing.

We define wellbeing as a lifelong practice encompassing three interconnected elements: physical, mental, and social. Physical wellbeing is about feeling empowered and able to give one's body what it needs for health and quality of life. Mental wellbeing focuses on feeling emotionally prepared and able to handle what the future holds, while social wellbeing is about feeling connected to others and part of a supportive community.

We also understand that everyone has their own unique definition of wellbeing. This is why we invest in initiatives to reflect the varied and evolving needs of the people and communities we serve.

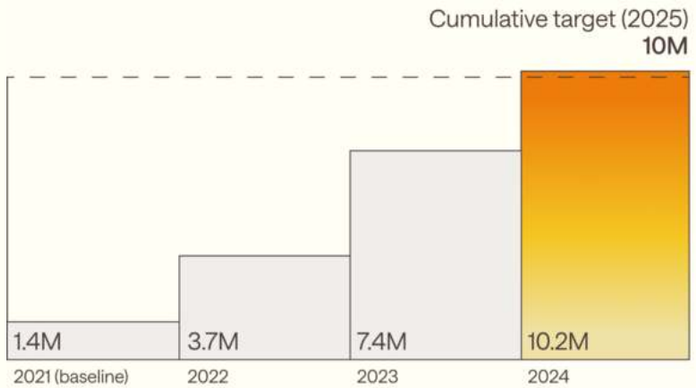
We launched the lululemon Centre for Social Impact in 2021 to invest in and advocate for wellbeing in communities. See more in What's Next.

Goals

Goal: Provide access to wellbeing tools and resources. (Met)

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

Cumulative people reached through the lululemon Centre for Social Impact



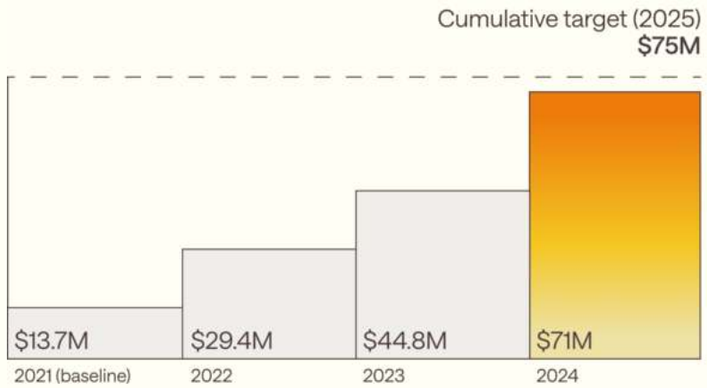
In 2024, we met this goal early and surpassed our target of reaching 10 million people through the lululemon Centre for Social Impact. We define "people reached" as individuals who receive services from partners of the lululemon Centre for Social Impact, or actively participate in partners' programming.[38] Our progress toward this goal also includes worker wellbeing programs. See more in People Who Make Our Products.

Meeting this goal represents a significant step forward in our commitment to breaking down barriers to wellbeing access for people and communities across the globe. We plan to broaden our reach further through our new Impact Agenda 2030 goal. See What's Next for more information.

Goal: Invest to advance equity in wellbeing through the lululemon Centre for Social Impact. (In progress)

- $75M invested by 2025

Cumulative lululemon Centre for Social Impact investments



Since 2021, we have made a cumulative investment of $71 million. Of this, $45.5 million has been contributed directly to social impact organizations; the remaining $25.5 million primarily consists of contributions toward a donor-advised fund for future grant making.[39] In 2024, the lululemon Centre for Social Impact provided funding to more than 160 social impact organizations. Of these, 51 percent were grants for new partnerships and 49 percent were grants supporting existing partnerships. See more on the following page.

In our 2025 Impact Report, we plan to report on the final year of progress for this goal.

[37] lululemon 2024 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 16,000 respondents from Australia, Canada, China Mainland, France, Germany, Hong Kong SAR, Japan, Malaysia, New Zealand, Singapore, South Korea, Spain, Thailand, the United Kingdom, and the United States, between April and May 2024.
[38] Figures are based on data self-reported by partners and use a conservative approach intended to minimize double counting. The cumulative 10.2 million total covers the period from 2021 to 2024.
[39] Our donor-advised fund is operated by a third-party charitable organization. We contribute to the fund and advise on its distribution. The funds allocated toward this goal are intended to be distributed by the end of our target year (fiscal year 2025).

What We're Doing

LULULEMON CENTRE FOR SOCIAL IMPACT MILESTONES

Since 2021, the lululemon Centre for Social Impact has partnered with organizations that elevate wellbeing for our global and local communities:

- Cumulative # of people reached: 10.2M
- Cumulative # of social impact organizations funded: 290+
- Average grant size: $96K
- $ given to crisis response:[40] $3M+
- $ in product donated: $1.5M+[41]

MOVEMENT AND MENTAL HEALTH

We emphasize funding initiatives that support movement and mental health. Examples of 2024 grant recipients include:

- Center for Healing and Justice through Sport (CHJS), a non-profit organization working to provide athletes at every level with access to sport experiences that are healing-centered, inclusive, and informed by neuroscientific research.
- UNICEF's Global Coalition for Youth Mental Health, which seeks to challenge stigma and raise awareness through investment and action to support the mental health of children and youth.

lululemon also hosted FURTHER, a six-day women's ultramarathon in 2024. At this event, the lululemon Centre for Social Impact hosted network members of the Girls Opportunity Alliance, a program of the Obama Foundation focused on empowering adolescent girls globally through education and wellbeing. As part of FURTHER, the lululemon Centre for Social Impact contributed $1.5 million to the Girls Opportunity Alliance in 2024, reflecting our shared commitment to unlocking girls' potential. This marks $5 million in funding to the Girls Opportunity Alliance since our partnership started in 2022.

COMMUNITY FOCUS

In 2024, we continued to work with locally led organizations focused on reaching people through wellbeing initiatives in all four of our regions, including:

- **APAC:**[42] Bring in Change supported the wellbeing of 2,000 older adults through movement and community programs, including exercise classes, home visits, and community events.
- **China Mainland:** Beijing A Mom Mental Health Service Center supported approximately 10,000 people through access to an online platform that provides mental health support to single mothers.
- **EMEA:**[43] Give Something Back to Berlin provided mental and physical health initiatives—including yoga, dance classes, art therapy, and skills-building classes—to approximately 3,000 community members.
- **Americas:** Cause of E.F.F.E.C.T. Fitness provided fitness and wellness programming and services to over 15,000 individuals.

Our Grow Impact Fund, launched in 2023, was specifically designed for high-growth organizations that had been previously funded through our Community Wellbeing Grant program (the lululemon Centre for Social Impact's application-based grant program for community-led non-profits).

Through the Grow Impact Fund, we provided strategic, two-year funding to a cohort of 10 organizations around the world. In partnership with Raise for Good, we also offered grantees a series of workshops and coaching sessions with industry experts designed to support individual and organizational leadership growth. In 2024, 100 percent of participants reported that they gained insights into how to achieve their goals, and would recommend this program to other non-profit peers.

WHAT'S NEXT

In 2025, we evolved the lululemon Centre for Social Impact into a new initiative—lululemon Gives—which focuses on advancing mental health and wellbeing through movement and mindfulness. Since achieving our 2025 goal early (10.2 million people reached between 2021 and 2024 with wellbeing tools and resources), we have set a new and refined goal as part of Impact Agenda 2030. Reflecting the focus areas of lululemon Gives, our goal between 2026 and 2030 is to provide 20 million participants with experiences to advance wellbeing, including those focused on mental health, movement, and mindfulness.[44] Experiences may include programs, services, or resources from lululemon Gives or third parties.

To support this goal, lululemon Gives also plans to contribute $100 million by 2030 to social impact organizations and a donor-advised fund for future grant making. (This is in addition to the planned $75 million invested through our 2025 goal.) This contribution will also support our supply chain wellbeing goal. See more in Impact Agenda 2030.

FIND OUT MORE

lululemon Gives

Partnerships and Memberships

UNICEF Global Coalition for Youth Mental Health

[40] We provide crisis response assistance as part of our direct support of frontline workers, communities, and individuals affected by natural disasters and catastrophic events.
[41] The in-kind value of products donated by lululemon between 2021 and 2024.
[42] Asia Pacific.
[43] Europe and the Middle East.
[44] This goal will be measured based on the number of participants who receive services from partners of lululemon Gives, or actively participate in partners' programming. Participant numbers will be self-reported by partners. Participants may be counted more than once if they take part in multiple initiatives over the years.

Be Planet

16 Climate Action
21 Product and Material Innovation
25 Circularity and New Guest Models
27 Water and Chemistry
29 Packaging and Waste

Climate Action

Our Approach

Climate change is damaging ecosystems and causing adverse impacts to human health and wellbeing, representing an urgent global challenge.[45] The path ahead to address climate impacts is complex, requiring scalable solutions and collaboration across global supply chains, industry and cross-industry partners, policymakers, and civil society.

Our approach centers on addressing our impact and supporting collective action for industry-wide change. Our near-term 2030 climate science-based targets (SBTs) are validated by the Science Based Targets initiative (SBTi).[46] We are working toward our targets by focusing on four key areas: product and material innovation, manufacturing, transportation, and our own operations.

We collect, calculate, and report greenhouse gas (GHG) emissions data in accordance with the Greenhouse Gas Protocol, Corporate Accounting and Reporting Standard, and associated scope-specific guidance from the GHG Protocol Scope 2 Guidance and the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Our climate data is reported on a calendar-year basis.[47] Like other apparel and manufacturing-based companies, our biggest impact comes from Scope 3 GHG emissions.

lululemon has obtained limited assurance from PwC for our 2024 Scope 1 and Scope 2 (location-based and market-based) GHG emissions. See more in our Assurance Statement.

2024 GHG emissions inventory[47,48]

Total emissions: 1.6M tonnes (t) CO_2e[49]

	SCOPE 1 & 2[50]	SCOPE 3								
	Own operations	Raw materials Tier 4[51]	Yarn production Tier 3[51]	Fabric manufacturing Tier 2[51]	Finished product manufacturing Tier 1[51]	Packaging[51]	Transportation[52]	Non-product procurement[51]	End-of-life[53]	Other[54]
Emissions (tCO_2e)	5,000	271,000	108,000	300,000	188,000	39,000	274,000	136,000	64,000	229,000
% of total emissions	<1%	17%	7%	19%	12%	2%	17%	8%	4%	14%

Included in SBTs

A full breakdown of our GHG inventory by GHG Protocol category, along with details on recent methodological updates, can be found in the 2024 Impact Data & Indices Supplement.

[45] The Intergovernmental Panel on Climate Change, Climate Change 2023 Synthesis Report.
[46] The SBTi develops standards, tools, and guidance that allow companies to set GHG emissions reduction targets. Our 2030 Scope 1, 2, and 3 climate targets were validated by the SBTi in 2020, and re-validated in 2024 alongside our 2050 net-zero target. See more in the sections that follow.
[47] A large portion of our climate data is provided by suppliers via a third-party system based on the calendar year. Therefore, climate data is reported on a calendar year and does not currently align with lululemon fiscal year dates. 2024 climate data reflects the calendar year ending December 31, 2024.
[48] Figures in the 2024 GHG emissions inventory table are rounded to the nearest thousand. Accordingly, the "% of total emissions" aggregate values may not precisely total 100% due to rounding adjustments. For non-rounded figures, see the 2024 Impact Data & Indices Supplement.
[49] The "Total emissions" figure excludes GHG Protocol Scope 3 Category 11: Use of sold products. The indirect use of sold product emissions are not required to be included in Scope 3 inventories under the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. In alignment with the SBTi's Apparel and Footwear Sector Science-Based Targets Guidance, Category 11 emissions are also excluded from our SBT, as they are not required to be included in Scope 3 inventories or targets for apparel and footwear companies. These emissions are considered indirect, as they relate to the energy required to wash and dry products after purchase. In 2024, our Category 11 emissions totaled ~627,000 tCO_2e.
[50] This includes Scope 2 market-based emissions. See the 2024 Impact Data & Indices Supplement for details on both location-based and market-based Scope 2 emissions.
[51] Refers to GHG Protocol Scope 3 Category 1: Purchased goods and services.
[52] Refers to GHG Protocol Scope 3 Category 4: Upstream transportation and distribution.
[53] Refers to GHG Protocol Scope 3 Category 12: End-of-life treatment of sold products.
[54] Refers to the following GHG Protocol Scope 3 Categories: 2: Capital goods, 3: Fuel- and energy-related emissions not included in Scope 1 and 2 emissions, 5: Waste generated in operations, 6: Business travel, 7: Employee commuting, 8: Upstream leased assets, and 14: Franchises.

Goals

Goal: Meet our 2030 Scope 1 and 2 science-based climate target. (Met)

- 60% absolute reduction in GHG emissions in our own operations[55] (Scope 1 and 2[56]) by 2030 from a 2018 baseline

% reduction in Scope 1 and Scope 2 absolute emissions in our own operations (tCO_2e)[57]

Although Scope 1 and 2 emissions represent a small part of our total emissions (less than 5 percent of our baseline in 2018), they occur within our operations, where we have the greatest control.

We achieved our SBTi-validated Scope 1 and 2 target in 2021 and have maintained it since then.[58] Due to business growth, including an increase in the square footage of our operations, our absolute emissions increased in 2024 while remaining below our target of a 60 percent absolute reduction from our 2018 baseline. We remain committed to maintaining our achievement of this goal by procuring renewable electricity and executing electrification and energy efficiency initiatives.

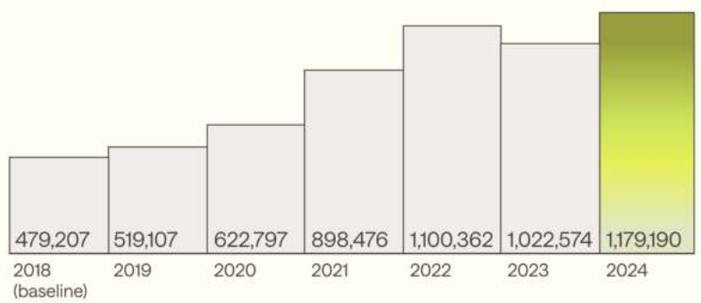
In 2021, we met a target to transition to 100 percent renewable electricity in our own operations, leading to our largest year-over-year reduction. Since this is crucial to our Scope 1 and 2 goal, we plan to maintain 100 percent renewable electricity in our own operations.[59] Achievement of our Scope 1 and 2 goal is primarily driven by renewable electricity procurement, including a wind Virtual Power Purchase Agreement (VPPA) in North America. Our renewable electricity procurement and use 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.

In 2024, we reviewed heating, ventilation, and air conditioning (HVAC) equipment across our global operations to better understand which systems used natural gas and were within our operational control. We plan to use this detailed primary data to support a strategy of targeted HVAC electrification for managing Scope 1 emissions. See more in Own Operations. We have restated our 2018-2023 Scope 1 and 2 emissions to reflect these data quality improvements and other key updates, in line with our baseline reporting policies and the Greenhouse Gas Protocol.[57] See details in our 2024 Impact Data & Indices Supplement. Limited assurance was provided by PwC over our 2024 Scope 1 and 2 GHG emissions. See our Assurance Statement.

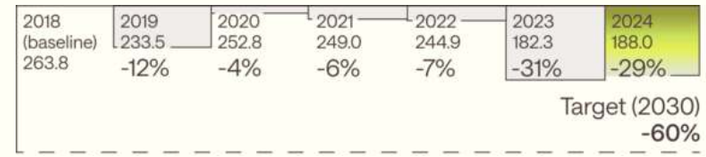
Goal: Meet our 2030 Scope 3 science-based climate target. (In progress)

- 60% intensity reduction in GHG emissions in purchased goods and services, and upstream transportation and distribution (Scope 3) by 2030[60] from a 2018 baseline

Total Scope 3 emissions within science-based target (tCO_2e)[61]



% reduction in Scope 3 emissions intensity (tCO_2e per $ million of gross profit from operations)[61]



The majority of our total emissions (over 95 percent in our 2018 baseline) occur in the supply chain and represent our biggest challenge and opportunity. We identify and implement initiatives to reduce emissions intensity across product and material innovation, manufacturing, and transportation. We do not use carbon offsetting to reduce emissions.

As with all growth companies, it is a challenge to decrease absolute emissions across Scope 3 while executing business growth. For that reason, lululemon set an SBTi-validated Scope 3 intensity target using the SBTi's GEVA (GHG emission per unit of value-added) methodology, which is aligned to a pathway well below 2°C. We measure emissions intensity as tCO_2e per $ million of gross profit.

In 2024, we realized a 29 percent reduction in Scope 3 emissions intensity (from a 2018 baseline). Continued efforts to achieve this reduction included preferred material conversion and supplier carbon-reduction activities. While this is a slight increase in our intensity from 2023, we have seen some fluctuation year over year due to changes in production timing and inventory levels—even as we make progress on our programs. See What We're Doing for information on our Scope 3 roadmap.

Our supply chain targets, investments, and partnerships map out a pathway toward achieving our Scope 3 target. See more in Product and Material Innovation, Manufacturing, and Transportation. See a full breakdown of our Scope 3 emissions in the 2024 Impact Data & Indices Supplement.

[55] "Own operations" refers to facilities where lululemon has direct operational control, including company-operated stores, distribution centres, and offices.
[56] Our goal reflects market-based emissions. The 2024 Impact Data & Indices Supplement contains both location-based and market-based emissions.
[57] We have restated our 2018-2023 Scope 1 and 2 emissions to reflect key updates outlined on page 3 of our 2024 Impact Data & Indices Supplement. The previously reported Scope 1 and 2 emissions were (all amounts in tonnes CO_2e): 2018) 18,248; 2019) 19,852; 2020) 12,928; 2021) 3,203; 2022) 3,937; 2023) 4,264. Among other updates, these include structural changes from our 2024 acquisition of lululemon Mexico operations and retail locations from a third-party partner. The transition shifted Mexico's retail locations and operations from a franchise approach to a company-operated model (see our 2024 Annual Report). Additionally, 2021, 2022, and 2023 Scope 2 market-based emissions were revised to exclude renewable energy credits procured in China Mainland that had previously been used to match energy consumption in South Korea, to align with RE100 geographic matching criteria. These updates resulted in an increase in Scope 2 market-based emissions for those years compared to prior disclosure.
[58] Our Scope 1 and 2 target aligns with limiting global temperature increases to 1.5°C.
[59] In 2024, we procured 100% renewable electricity for our own operations, with 98% sourced in compliance with RE100 technical criteria. During this time, we were unable to source renewable electricity in South Korea due to a challenging Energy Attribute Credit (EAC) market. Consequently, renewable energy credits were procured from nearby geographies; these are retired annually. Note that under the GHG Protocol Scope 2 Guidance, market-based instruments such as EACs are acceptable methods for reducing market-based Scope 2 GHG emissions.
[60] Our Scope 3 target 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. This exceeds the SBTi requirement of including at least two-thirds Scope 3 emissions.
[61] We have restated our 2018-2023 Scope 3 emissions to reflect key updates, in line with our baseline reporting policies and the Greenhouse Gas Protocol, as outlined on page 3 of our 2024 Impact Data & Indices Supplement. The previously reported Scope 3 emissions within our science-based target were (all amounts in tonnes CO_2e): 2018) 476,815; 2019) 517,072; 2020) 620,515; 2021) 893,929; 2022) 1,093,901; 2023) 1,014,319.

What We're Doing

Our 2030 climate roadmap sets out our approach toward maintaining our Scope 1 and 2 target, and meeting our Scope 3 target. It focuses on actions designed to drive significant and measurable progress. Business leaders from across lululemon (including teams overseeing raw materials, sourcing, logistics, planning, fulfillment, and retail) have contributed to our roadmap by providing data-driven insights and developing initiatives that support progress toward our targets and align with strategic business objectives.

Our key roadmap initiatives are presented in the table below. See more about the initiatives we prioritize in Product and Material Innovation, Manufacturing, and Transportation.

2030 climate strategy initiatives

SUPPLY CHAIN (SCOPE 3)			OPERATIONS (SCOPE 1 & 2)
Product and material innovation	**Manufacturing**	**Transportation**	**Own operations**
• Preferred materials • Product innovation	• Renewable electricity • Energy efficiency • On-site coal phase-out	• Lower-carbon transport modes • Alternative fuel advancement	• Renewable electricity • Energy efficiency and electrification

Achieving a 60 percent Scope 3 emissions intensity reduction by 2030 requires ambitious action. Our roadmap considers product and sourcing strategies, growth expectations, and other business factors that impact our target progress. Implementing our roadmap also requires actions beyond our business, including industry-wide change and policy shifts, particularly those that support renewable energy procurement in the places where our products are manufactured.

We aim to identify and manage risks and uncertainties that may affect our ability to achieve our Scope 3 target. These may include the scale at which we can implement innovations, changes in global policies and carbon accounting, and macro-economic and business factors that could negatively impact gross profit (among other risks). These factors may make progress toward our target more challenging, even as we implement our planned actions. See Forward-Looking Statements for additional factors.

Beyond 2030, our long-term aim is to achieve net-zero GHG emissions by 2050 from a 2018 baseline. In accordance with the Science Based Targets initiative (SBTi) Net-Zero Standard (Standard), our target is a 90 percent reduction in absolute Scope 1, 2, and 3 GHG emissions, with any residual emissions neutralized through the use of carbon removals, in line with the Standard.[62] The SBTi has validated our net-zero target.

Our approach for our net-zero target focuses on first taking action to meet our near-term 2030 climate targets as we build out a longer-term roadmap. We recognize that achieving net zero will be challenging and requires innovation within the apparel sector, cross-industry collaboration, and policies that incentivize and scale new technologies. In short, we cannot meet a net-zero ambition on our own. Our long-term strategy will define where we can innovate (e.g., material innovations, textile-to-textile recycling), and where we need to collaborate or advocate for policy support (e.g., accessibility of renewable electricity).

Participation in industry coalitions is important for deploying scalable solutions, particularly within the manufacturing supply chain, where supplier facilities are producing fabric and garments for multiple brands. Since 2020, we have been signatories of the UN Fashion Industry Charter for Climate Action. lululemon is also a founding member and lead funder of the Apparel Impact Institute (Aii) $250 million Fashion Climate Fund. The Fund is used to identify, fund, scale, and measure solutions to address the industry's supply chain carbon emissions. See more on the Partnerships and Memberships page of our website.

PRODUCT AND MATERIAL INNOVATION

Materials used in products and packaging can contribute to GHG emissions in multiple ways, including the energy used to obtain and process raw materials. In 2024, raw materials, yarn production, and packaging made up approximately 26 percent of our total carbon footprint. Priority initiatives in this area represent a significant opportunity toward our Scope 3 target. To drive progress, we focus on adopting preferred materials and driving circular innovation, while simultaneously advancing innovations in product function. Learn more about our commitments in Product and Material Innovation, Circularity and New Guest Models, and Packaging and Waste.

MANUFACTURING

In 2024, manufacturing our finished products and fabrics made up approximately 30 percent of our total carbon footprint. Priority initiatives in this area represent the most significant opportunity toward progressing our Scope 3 target.

We do not own any manufacturing facilities in our supply chain, and contract with suppliers that produce for multiple brands. We focus on engaging with suppliers that are working to increase energy efficiency and renewable electricity, and to eliminate on-site coal. We are also working with industry partners to assess financing models that can help accelerate progress across these areas. See the sections below for more information.

SUPPLIER ENGAGEMENT

Our Vendor Environmental Manual contains guidelines for our suppliers on energy efficiency, coal phase-out, renewable energy, water efficiency, wastewater, and chemistry. Our supplier engagement efforts focus on supporting and accelerating decarbonization actions among suppliers by communicating requirements; funding or co-funding feasibility studies, training, and technical assistance; and engaging directly with supplier facilities to incentivize and support progress and investments.

We collect supplier energy use and energy source data through the Higg Facility Environmental Module (Higg FEM). See the 2024 Impact Data & Indices Supplement for more information on Higg FEM reporting.

SUPPLY CHAIN RENEWABLE ELECTRICITY

Increasing the use of renewable electricity in our supply chain is a key component of our roadmap toward our Scope 3 science-based target. We are working to achieve 25 percent renewable electricity among core Tier 1 and Tier 2 suppliers[63] by the end of

[62] As stated on the SBTi website, the Net-Zero Standard is a framework for corporate net-zero target setting in line with climate science. Our target boundary includes land-related emissions and removals from bioenergy feedstocks.
[63] Core suppliers are Tier 1 and Tier 2 suppliers representing over 75% of our production volume.

2025, and 50 percent by 2030. In 2024, 15 percent of electricity used collectively by core Tier 1 and Tier 2 suppliers was self-reported as coming from renewable sources.[64]

Where feasible, we work to prioritize higher-impact renewables such as onsite solar and power purchase agreements (PPAs). We recognize that EACs are also necessary in the global transition to clean energy and work to minimize the use of lower-impact EACs where possible. In 2024, we refined our Scope 3 renewable electricity roadmap to support our targets, and shared it at our Vendor Summit, a lululemon-hosted event for select Tier 1 and Tier 2 suppliers.

In 2024, lululemon also became a sponsor and active member of the Clean Energy Procurement Academy, an initiative of the Clean Energy Buyers Association (CEBA). The Academy aims to accelerate clean energy procurement and decarbonize supply chains, educating participants through in-person and digital training on local renewable energy procurement options. Through our membership, a number of lululemon suppliers in China Mainland and Vietnam have participated in the program.

We also provided access to renewable electricity procurement and policy training through external organizations such as Allotrope Partners, Climate Action Training++ (a collaboration between WWF and GIZ), and Rocky Mountain Institute (RMI).

Access to renewable electricity varies across regions where our suppliers operate, due to barriers such as limited supply, permitting processes, and complex regulations. To help advocate for renewable electricity development, we are members of the Asia Clean Energy Coalition (ACEC). ACEC is 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.

See more in What's Next and on the Climate Action and Partnerships and Memberships pages of our website.

SUPPLY CHAIN ENERGY EFFICIENCY

We continue to work with industry initiatives, such as Aii, to support decarbonization efforts. These initiatives support apparel supply chains in identifying energy efficiency and energy reduction opportunities, conducting carbon benchmarking assessments, setting climate targets, and developing carbon-reduction roadmaps.

ON-SITE COAL PHASE-OUT

Apparel and footwear processes that require high heat sometimes utilize on-site coal boilers, which represent an industry-wide challenge. As a signatory of the UN Fashion Industry Charter for Climate Action, we are committed to phasing out coal from supplier sites. We work with our Tier 1 and Tier 2 suppliers and select subcontractors toward eliminating on-site use of coal, including having them sign acknowledgement letters and establish roadmaps to phase out existing coal boilers by 2030. As of 2024, 35 percent of our Tier 1 and Tier 2 suppliers that previously used coal on site have eliminated its use.

Where needed, we engage technical experts who work with our suppliers to conduct feasibility studies on manufacturing processes that require high heat. The studies assess potential alternatives to coal, including options such as biomass, natural gas, and electrification.

We are also helping to accelerate electrification pathways through our investment in Aii's Fashion Climate Fund.

TRANSPORTATION

As a global business, we move products from supplier facilities to distribution centres, retail stores, and guests worldwide, using multiple modes of transport. In 2024, inbound and outbound transportation made up approximately 17 percent of our total carbon footprint. Our transportation initiatives include utilizing lower-carbon transportation modes, engaging with logistics service providers (LSPs), and supporting advancements in alternative lower-carbon fuels.

TRANSPORT MODES

The majority of inbound products are shipped using ocean freight. We are working toward reducing the use of air freight, where operationally feasible. We also continue to identify, pilot, and integrate lower-carbon transportation options, including regional trucking and electric vehicles for last-mile delivery. For the final leg of e-commerce deliveries, we use electric vehicles in some key cities in Canada, China Mainland, and South Korea.

LOGISTICS SERVICE PROVIDER ENGAGEMENT

As part of our evaluation process for working with inbound logistics service providers (LSPs), we consider their environmental practices, including the existence of GHG emissions targets, freight mode solutions, and projects related to the use of alternative fuels. We engage with LSPs on carbon-reduction opportunities and improvements to emissions data quality.

ALTERNATIVE FUEL ADVANCEMENT

We are part of two buyers' alliances: the Zero Emission Maritime Buyers Alliance (ZEMBA), a buyers group working to accelerate scalable and economically viable zero-emission shipping solutions for the maritime sector, and the Sustainable Aviation Buyers Alliance (SABA), which is accelerating investment in and adoption of sustainable aviation fuels. Partnering with buyers' alliances offers a mechanism to send a demand signal to support investment in these nascent markets. In 2024, lululemon participated in joint procurement initiatives to purchase alternative fuels.[65]

OWN OPERATIONS

Our Scope 1 and 2 emissions are primarily driven by the energy used to heat and cool buildings, and refrigerant leakages in cooling systems. In 2024, our own operations made up less than 1 percent of our overall carbon footprint, as we have reduced emissions significantly through our renewable electricity procurement practices. See more in Goals.

We have two primary strategies for managing Scope 1 and 2 emissions as we grow globally: procuring 100 percent renewable electricity in line with RE100 standards, and investing in targeted energy efficiency and electrification. See more on the following page.

[64] 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.
[65] According to ZEMBA, these fuels are produced with lower-carbon sources of energy and sustainable waste sources of carbon that reduce shipping emissions by around 90% at least on a life-cycle basis upon deployment.

RENEWABLE ELECTRICITY

In 2024, we used 100 percent renewable electricity in our own operations, 98 percent of which was in line with RE100 standards.[66] Approximately 65 percent of the renewable electricity we procured in North America came from a wind VPPA. Additionally, we have solar panels on one of our Canadian DCs. For the remainder of our Scope 2 emissions, we purchase EACs from accredited tracking agencies and, where operationally feasible, from wind and solar energy sources. In certain markets, we procure electricity from renewable utility providers.

ENERGY EFFICIENCY AND ELECTRIFICATION

We currently focus our energy management program on our North American stores and DCs; this is where we consume the most energy. In 2024, we continued to install energy management systems in new stores and store retrofits, where operationally feasible. We also conducted store pilots to develop a process to implement targeted electrification of HVAC systems.

RISK AND OPPORTUNITY MANAGEMENT

In 2022, we undertook a climate scenario analysis to map potential risks and opportunities over different time horizons. Senior leaders across the business reviewed the findings to inform risk management. In 2023 and 2024, the data was used to inform our CDP and TCFD (Task Force on Climate-related Financial Disclosures) disclosures. More information on this topic can be found in the 2024 Impact Data & Indices Supplement and our latest CDP Disclosure.

WHAT'S NEXT

For Impact Agenda 2030, we will continue focusing on minimizing emissions from product creation, transportation, and our operations through our existing 2030 science-based climate targets. These targets are validated by the SBTi. See Goals and What We're Doing for more information on our climate goals and the sub-targets that support our climate progress.

In 2025, we will update our climate scenario analysis, including associated risks and opportunities. We also plan to explore opportunities for a renewable energy investment fund, focused on developing renewable energy projects to support our suppliers.

In 2025, we also plan to work with experts and stakeholders to understand evolving just transition[67] frameworks and standards, and to identify risks, impacts, and potential actions to support affected stakeholders. As part of this, we plan to determine how we can build on our existing programs and policies to contribute to just transition principles. See People Who Make Our Products for more information on working conditions, fair compensation, community investments, and worker wellbeing.

FIND OUT MORE

Circular Innovation
Climate Action
2024 Impact Data & Indices Supplement
Impact Governance
Our Impact
Partnerships and Memberships

Enel North America's Azure Sky wind farm

[66] During this time, we were unable to source renewable electricity in South Korea due to a challenging EAC market. Consequently, renewable energy credits were procured from nearby geographies; these are retired annually. Note that under the GHG Protocol Scope 2 Guidance, market-based instruments such as EACs are acceptable methods for reducing market-based Scope 2 GHG emissions.
[67] According to the United Nations Global Compact, a just transition aims to ensure that the transition to net-zero emissions and climate resilience is orderly, inclusive, and just.

Product and Material Innovation

Our Approach

Products and materials use natural resources and can affect climate, biodiversity, water quality and availability, soil health, and animal welfare. Creating products with preferred materials is a core strategy for reducing adverse environmental impacts and working toward long-lasting product solutions. Preferred materials form a core pillar of our circular design principles. See Circularity and New Guest Models for more information.

Industry engagement is an essential component of this work. We strive to find scalable, long-term solutions, while taking incremental steps to contribute to shifting the industry away from conventional virgin materials. These efforts include working with preferred materials providers, developing tools and processes to evaluate our environmental impact, and co-sponsoring industry research.

Preferred Materials: We consider materials to be preferred when their production processes have the potential to minimize impacts on areas like climate, nature, or communities, compared to the conventional equivalents, and/or when they align with independent third-party certifications, schemes, or standards. Where applicable, we use the Textile Exchange 2023 definition of preferred materials to guide the continued development of our framework for evaluating materials. We regularly assess the attributes for preferred materials and evolve our definition as needed. Preferred materials may include:

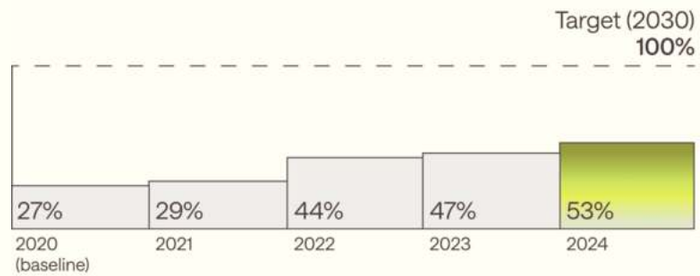
- **Preferred polyester:** Recycled polyester (Global Recycled Standard, Recycled Claim Standard)
- **Preferred nylon:** Recycled nylon (Global Recycled Standard, Recycled Claim Standard) or renewable nylon
- **Preferred cotton:** Organic cotton (Organic Content Standard, Global Organic Textile Standard) or cotton through the U.S. Cotton Trust Protocol or other recognized cotton sourcing programs
- **Preferred forest-based materials:** Sourced from suppliers with the highest rating (a "dark green shirt" rating) in Canopy's Hot Button Report or from suppliers certified by the Forest Stewardship Council™ (FSC®)
- **Preferred animal-derived materials:** Sourced from suppliers certified by the Responsible Down Standard, The Good Cashmere Standard® by the Aid by Trade Foundation, Responsible Wool Standard, or the Responsible Alpaca Standard

Goals

Goal: Make our products with preferred materials and end-of-use solutions. (Updated for IA2030; see subsequent narrative)

- 100% of products procured containing at least 25% preferred materials by weight by 2030

% of products procured containing at least 25% preferred materials



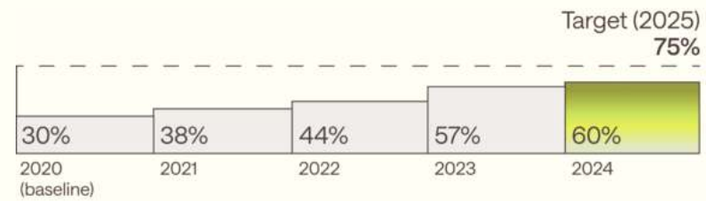
In 2024, we continued to increase the percentage of preferred materials used in our products. Overall, 53 percent of our products contained at least 25 percent preferred materials by weight. Specifically, 43 percent of products were procured with more than 50 percent preferred materials by weight (up from 38 percent in 2023) and 10 percent were procured with 25-50 percent preferred materials by weight (up from 9 percent in 2023).[68]

The development of innovative preferred materials—such as recycled and renewable nylon 6,6—has proven to be complex, requiring years of investment in research and development. As a result, we will be adjusting this target from 100 percent to 90 percent of products made with at least 25 percent preferred materials by weight, as part of Impact Agenda 2030. See What's Next for more information.

Goal: Achieve preferred materials for our products. (Updated for IA2030; see subsequent narrative)

- 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. We have made investments with partners such as Geno, Samsara Eco, and ZymoChem to support the scaling of innovative preferred materials. We recognize these are pilot projects on the pathway to commercialization. Given the complexity of scaling nylon 6,6 (as noted in our 2023 Impact Report) and the timeline needed, we will not reach our 75 percent goal by the end of 2025.

We have continued to make progress toward specific material sub-targets. In 2024, 77 percent of our procured polyester was recycled (up from 61 percent in 2023); with this increase, we achieved our recycled polyester sub-target a year early.

Going forward, we are integrating our tracking of preferred materials into our 2030 goal (see What's Next) and will no longer report on this goal to achieve 75 percent of total preferred materials for our products. However, we will continue to report on progress toward our material-specific targets as part of Impact Agenda 2030. See more on the pages that follow.

[68] 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. Footwear is included in the data in this section, unless otherwise noted.

What We're Doing

Our largest procured material by weight is polyester, followed by nylon, then cotton. Where operationally feasible, we are converting to recycled and renewable synthetic fibers, as well as preferred cotton and other natural fibers. We also have material-specific targets that directly support our overarching goals. See more about individual materials in the sections that follow.

Note that trims are not included in our current product and material data. They are estimated to be a small part 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.

Materials used in our products (as a % of all materials sourced by weight)

Materials	2024
Polyester	33%
Nylon	30%
Cotton	18%
Elastane	9%
Regenerated cellulosics	5%
Other[69]	3%
Natural rubber (excluding footwear)	1%
Animal-derived	1%

% of preferred materials used in our products (as a % of each material type sourced)

Preferred materials	2020	2021	2022	2023	2024
Polyester	36%	43%	54%	61%	77%
Nylon	2%	6%	8%	6%	11%
Cotton	36%	37%	19%	46%	78%
Regenerated cellulosics	100%	100%	100%	100%	100%
Natural rubber (excluding footwear)	8%	74%	100%	100%	100%
Animal-derived	37%	50%	75%	78%	85%

POLYESTER

Target

- Source at least 75% recycled polyester by 2025. (Met)

% recycled polyester

Baseline year	Baseline	2024 results	Target	Target year
2020	36%	77%	75%	2025

We met this target, achieving it a year early. In 2024, 77 percent of total procured polyester was made from recycled polyester, using sources such as post-consumer plastic containers.

We recognize that relying on single-use plastic is an interim step and 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. In early 2024, as part of our partnership with Australian enviro-tech startup Samsara Eco, we launched a proof-of-concept, limited edition Packable Anorak —our first product made with enzymatically recycled polyester.

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 uptake of recycled polyester in the industry.

We are advancing our polyester commitment and introducing an increased target for Impact Agenda 2030. See more in What's Next.

[69] "Other" includes other fibers not identified (1%), and various other fibers, including synthetic rubber/foam (2%).

NYLON

Targets

- Source 100% renewable or recycled nylon for our products by 2030. (Updated for IA2030; see subsequent narrative)
- Launch alternative nylon solutions by 2025. (In progress)

% renewable or recycled nylon

Baseline year	Baseline	2024 results	Target	Target year
2020	2%	11%	100%	2030

In 2024, we sourced 11 percent renewable or recycled nylon (up from 6 percent in 2023).

Nylon makes up a large portion of our materials and is essential in providing lululemon products with their characteristically unique performance, feel, and quality. We aim to find alternatives to nylon 6 and particularly nylon 6,6 that deliver the same characteristics while reducing dependence on fossil fuels. As noted in our 2023 Impact Report, the challenge is finding readily available sources of preferred nylon 6,6 that can be easily scaled. While we continue to invest in innovations to address this (e.g., Samsara Eco and multi-year investments with ZymoChem and Geno, innovators in biotech and plant-based materials), the timeline to increase supply is longer than anticipated.

As a result, going forward, we will be revising our original 100 percent renewable or recycled nylon target, and changing it to 75 percent by 2030 as part of Impact Agenda 2030. See more in What's Next.

As part of our 2025 target to launch alternative nylon solutions, we have launched limited pilots with our partners. These include a limited global pilot trial with Geno of our Swiftly and Metal Vent Tech Short-Sleeve Shirts using plant-based nylon 6, as well as a proof-of-concept Swiftly Tech Long-Sleeve Top made with enzymatically recycled nylon 6,6 in partnership with Samsara Eco. In 2025, we also began a multi-year collaboration with ZymoChem to help scale up the use of plant-based nylon 6,6. This builds on our initial 2023 investments in ZymoChem by focusing on technologies to support the commercialization of this nylon alternative.

COTTON

Target

- Source 100% preferred cotton by 2025. (Updated for IA2030; see subsequent narrative)

% preferred cotton

Baseline year	Baseline	2024 results	Target	Target year
2020	36%	78%	100%	2025

Our preferred cotton portfolio continued to grow in 2024, reaching 78 percent (up from 46 percent in 2023). Due to shifts in our product strategy, we will not meet this target by 2025, and expect to reach 100 percent preferred cotton by 2026.

We are working to further adopt preferred cotton platforms in our portfolio, including initiatives that provide greater traceability. As members of the U.S. Cotton Trust Protocol, we have begun the process of accounting for and tracing United States cotton volumes within our supply chain.

In 2024, we made an initial charitable contribution in a regenerative cotton project with Conservation International. This project, based in the Peruvian Amazon, focuses on supporting cotton farmers in transitioning to regenerative practices and reforesting degraded land. For more information, see What's Next.

FOREST-BASED MATERIALS

Target

- Certify or assess by a third party 100% of our forest-based materials by 2023. (Met)

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

Baseline year	Baseline	2024 results	Target	Target year
2020	52%	100%	100%	2023

Forest-based materials make up only a small portion of our materials portfolio—approximately 6 percent—and include natural rubber and regenerated cellulosic materials such as lyocell, modal, and rayon/viscose.

We met our forest-based materials target in 2022 and have maintained it since then. One hundred percent of our regenerated cellulosic materials are sourced via suppliers with a "dark green shirt"[70] rating verified through Canopy's Hot Button Report. We expanded the use of a third-party system, TextileGenesis, to consistently monitor and confirm preferred regenerated cellulosic suppliers and volumes.

In 2024, all yoga mats made with a mix of natural and synthetic rubber continued to use Forest Stewardship Council™ (FSC®) certified natural rubber (FSC™ N002716). We also began the process of evaluating sources for the natural rubber in our footwear products. For more information, see What's Next.

ANIMAL-DERIVED MATERIALS

Target

- Trace or certify 100% of our animal-derived materials by 2025. (In progress)

% traceable or certified animal-derived materials

Baseline year	Baseline	2024 results	Target	Target year
2020	37%	85%	100%	2025

Only a small amount of our materials portfolio—approximately 1 percent—utilizes animal-derived materials, including down, wool, alpaca, cashmere, and silk. In 2024, 85 percent of our animal-derived materials came from certified or traceable sources.

One hundred percent of our down is sourced from Responsible Down Standard (RDS)-certified suppliers. As of 2024, 100 percent of our cashmere is sourced from suppliers verified to The Good Cashmere Standard® (GCS), developed by the Aid by Trade Foundation. By the end of 2025, we aim to source 100 percent of wool and alpaca fibers from suppliers certified to the Responsible Wool Standard (RWS) and the Responsible Alpaca Standard (RAS), respectively.

We plan to continue assessing preferred sources for the small amount of silk (approximately 0.01 percent) in our portfolio. We do not use animal-based leather in our products and continue to explore leather alternatives such as plant-based or renewable options. For more information, see What's Next.

[70] According to Canopy's Hot Button Report, "dark green shirt" suppliers are those leading in CanopyStyle commitments to improve forest sourcing.

TRACEABILITY

We continue to expand our traceability work to support compliance, strengthen due diligence processes, and proactively identify and mitigate risks in the upstream supply chain of our products. Our traceability program prioritizes high-volume materials and specific categories. To support this process, we collect traceability documentation to help verify the chain of custody of materials in select finished products, using a risk-based approach.

In 2024, we implemented the TrusTrace Platform to help us scale traceability work across parts of our supply chain. This will enable us to track material flow in a centralized database, including the origin of raw materials, as well as the suppliers, subcontractors, and manufacturing facilities involved in select lululemon products. The system is designed to support chain of custody validation, create enhanced visibility, and enable proactive risk monitoring of our supply chain, from raw material extraction to the final product assembly.

WHAT'S NEXT

As part of Impact Agenda 2030, we have adjusted our 2030 preferred materials target, originally set in 2020. Our revised goal is for 90 percent of products to be made with at least 25 percent preferred materials by weight, rather than 100 percent. We have also updated the goal language to remove the term "end-of-use solutions," as we have introduced another 2030 goal to extend product use (see Circularity and New Guest Models).

This change from a 100 percent to a 90 percent goal reflects the realities of the time needed to scale innovative preferred materials, while also demonstrating our continued commitment to bring more circular products to our guests.

As part of this goal, we are maintaining or adjusting our other material-specific targets and incorporating new ones:

- Source 95% recycled polyester by 2030.
- Source 100% preferred cotton by 2026 and maintain going forward. Due to shifts in our product strategy, we updated our cotton target from 2025 to 2026.
- Source 75% renewable or recycled nylon by 2030. This is an adjustment from our original commitment of 100% renewable or recycled nylon by 2030. This change reflects our learnings on the complexity of scaling preferred nylon while maintaining our focus on driving innovation and investing in long-term solutions that can grow to meet demand.
- Source 25% renewable or recycled stretch materials by 2030. This is a new target focused on preferred alternatives for materials made with elastic fibers.
- Source 100% traceable or certified animal-derived materials by 2025 and maintain going forward.
- Maintain sourcing of certified or third-party-assessed forest-based materials.

We plan to continue investing in scalable long-term solutions for preferred materials, including launching additional partnerships to introduce and expand preferred options for nylon and other materials, and further our work in this space. For example, in 2025, we entered into a 10-year offtake plan with Samsara Eco to source recycled polyester and nylon 6,6.

We are also continuing to develop our approach to deepen our focus on nature, which will include regenerative agriculture. We co-sponsored Textile Exchange's Regenerative Agriculture Outcome Framework, which aims to help the fashion, textile, and apparel industry align on outcomes for assessing the holistic benefits of regenerative agriculture.

FIND OUT MORE

Circular Innovation

2024 Impact Data & Indices Supplement

Partnerships and Memberships

Supply Chain Wellbeing

Supplier facility, Vietnam

Circularity and New Guest Models

Our Approach

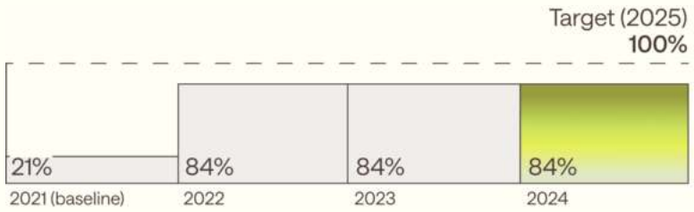
There are growing planetary risks from the overuse of natural resources, the lack of effective systems to extend the life of products and materials, and the mounting challenge of global waste. Making progress in this area requires collaboration throughout the apparel industry and beyond to develop and implement transformative circular product solutions.

We focus on procuring products with at least 25 percent preferred materials by weight (see Product and Material Innovation), fostering circular design principles, offering solutions to extend product use (including resale and repair), and identifying partnerships to pilot and advance circularity initiatives.

Goal

Goal: Offer our guests new business models[71] that extend the use of products—reaching 100% of North American guests[72] and piloting internationally by 2025. (Updated for IA2030; see subsequent narrative)

% of company-operated stores in North America offering Like New (excluding outlets, pop-ups, and stores in Mexico)



Since announcing this goal, we have made progress by launching our resale program, Like New, in 100 percent of company-operated stores across the United States.[73] In addition, as part of our overarching goal to offer guests new business models that extend the use of products, we continued rolling out repair pilots and programs across multiple international markets (see Extended Product Use).

Due to an evolution in our partnership model, our implementation plan was delayed, and we have not scaled Like New into Canada. We will no longer report on this as a standalone goal going forward. However, we are working to launch a new resale model in Canada, as part of a new global 2030 resale and repair goal through Impact Agenda 2030. See more in What's Next.

What We're Doing

CIRCULAR DESIGN

Integrating circular design principles is an important step in working to create products that last longer and are easier to resell, repair, and recycle. In 2024, we worked with circular.fashion to begin developing circular design guidelines tailored to lululemon products and fabrics, including guidance on preferred material use, designing for recyclability, and designing for extended use. To support this work, we offer circular design training and workshops to employees on our product and supply chain teams.

We continue to test and learn how to integrate circular design principles into our product design and development practices. In 2024, this included a pilot with Accelerating Circularity to recycle post-consumer and post-industrial cotton waste into new products.

PRODUCT AND MATERIAL INNOVATION

Creating products with preferred materials is a core element of our strategy for driving circular innovation. See more about our preferred materials approach under Product and Material Innovation.

EXTENDED PRODUCT USE

We identify ways for our products to retain value and stay in use for as long as possible, including repair and resale. Our Like New trade-in program offers guests the opportunity to trade in certain types of gently used gear in exchange for merchandise credit. We then sell these products—which are verified, quality-checked, and cleaned—through our online resale shop. (Some items may be recycled or resold through other channels if the criteria of our resale shop are not met.)

By purchasing lululemon Like New over brand new, guests are supporting a circular ecosystem where existing products are kept in use. One hundred percent of Like New profits (or 2 percent of Like New revenue, whichever is higher) support sustainability initiatives.[74]

[71] "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.
[72] In 2024, we acquired the lululemon-branded retail locations (14 stores) and operations run by a third party in Mexico. Our Like New target was originally set in 2020 when our North American operations included only Canada and the United States, so Mexico is not included in this metric. See more about the acquisition of our Mexico stores in the 2024 Annual Report.
[73] Excludes outlets. Note that pop-ups in the United States also offer Like New, but pop-ups are not included in the definition of a store, consistent with lululemon external reporting.
[74] For 2022, 2023, and 2024, all profits have supported the Apparel Impact Institute's Fashion Climate Fund, which aims to implement and advance projects that reduce carbon emissions by 2030.

We continued to offer repair programs in the majority of our stores in China Mainland and Europe in 2024. We also rolled out repair programs to stores in Australia, Hong Kong SAR, New Zealand, and the United Kingdom.[75] Repairs are completed by local repair partners trained to meet our quality standards.

PRODUCT AND MATERIAL RECYCLING

We aim to resell, donate, recycle, or downcycle[76] excess products and damages (e.g., returns, in-store damages, quality issues), where operationally feasible. In Canada and the United States, Debrand distributes our products through their vetted partner network, turning products into components that can be reused, recycled, or responsibly disposed of across a variety of industries.

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 limited. Our teams work to identify potential solutions to accelerate progress toward a circular ecosystem. Examples of 2024 initiatives include:

- Co-sponsoring a Fashion for Good study with the Sorting for Circularity USA Project to determine the amount of post-consumer waste that is eligible for textile-to-textile recycling.
- Working with Debrand and Samsara Eco to pilot opportunities to scale automated product sorting and product detrimming.[77]
- Working with GIZ and the Global Fashion Agenda on cut-waste pilots with supplier facilities in Cambodia and Vietnam. These pilots included analyzing cut waste at supplier facilities and providing training on the sorting of cut waste and labeling of cut-waste bags so materials can be recycled properly.
- Joining Global Fashion Agenda's Circular Fashion Partnership Indonesia, a textile industry initiative aimed at establishing efficient textile-to-textile recycling supply chains in Indonesia.

See Product and Material Innovation for more details on our work to recycle apparel back into new products.

WHAT'S NEXT

For Impact Agenda 2030, we plan to continue developing circular product solutions for our business and guests.

We've set a new 2030 goal: for 90 percent of global markets[78] to offer guests opportunities to extend product use, including repair and resale. We plan for this to include the launch of a new resale model in Canada.

We are also deepening our commitment to circular innovation and design through new and refined product and material targets. See more in Impact Agenda 2030.

FIND OUT MORE

Circular Innovation

Partnerships and Memberships

[75] Repair program excludes pop-ups, the Hong Kong SAR airport store, and select outlets.
[76] "Downcycle" means converting a discarded material into something of lower value.
[77] "Product detrimming" refers to the process of removing non-textile components from garments before they are recycled.
[78] Excludes outlets, pop-ups, airport stores, franchise markets, or markets with fewer than five stores, unless otherwise noted. As of 2024, resale is only offered in the United States.

Water and Chemistry

Our Approach

Textile, apparel, and footwear industries use large quantities of freshwater for production processes such as farming, fabric dyeing, and garment washing. Chemicals used in manufacturing can leach into water sources, and can potentially contaminate drinking water and affect biodiversity and human health.

To address this, it is important to practice due diligence and implement programs to manage water, chemicals use, and wastewater treatment, and to make proactive design innovations in fabric treatments.

At lululemon, we support our suppliers in improving water quality and efficiency. We also have a chemicals management program focused on improving chemical use throughout the supply chain.

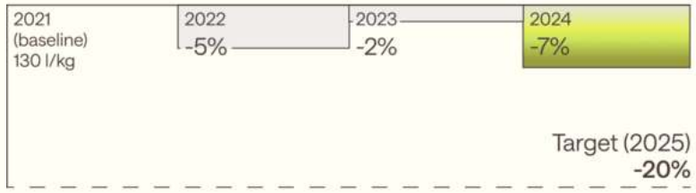
Goal

WATER[79]

Goal: Reduce freshwater use intensity with our priority wet process suppliers. (Retired; see subsequent narrative)

- 20% reduction of freshwater use intensity by 2025 from a 2021 baseline

% reduction of freshwater use intensity



In 2024, the freshwater use intensity of lululemon priority wet process suppliers was reduced 7 percent from our 2021 baseline. More than a third of these supplier facilities reduced their freshwater use intensity by at least 20 percent.

While we have made progress and will continue our work to improve water management with suppliers, we will not reach this goal by 2025. As referenced in the 2023 Impact Report, it has been challenging to advance this goal as the metric includes water use across supplier facilities that have multiple customers (i.e., the facilities make both lululemon and non-lululemon products). The goal also relies on facility-level reductions, where our influence is limited, especially since our production represents only a small amount of their production output.

Moving forward, we will phase out this goal and will no longer report on this specific metric. See What's Next for more information on how we will continue working with supplier facilities on water reduction and efficiency initiatives.

What We're Doing

WATER MANAGEMENT

We request that our priority wet process suppliers set water reduction targets as they work to improve water efficiency and reduce the amount of freshwater used in their manufacturing processes. As of 2024, 97 percent of these suppliers have established targets. We work with these suppliers to review water data virtually or through an on-site verification process, including a review and evaluation of completed or pending actions for freshwater reductions in their facilities. We conducted on-site verification of 2024 data at 24 of 30 priority wet process supplier facilities. Examples of their improvements include:

- **Increased recycled water content:** The amount of recycled water content across priority wet process supplier facilities was 37 percent (up from 30 percent in 2023).
- **Installation of effluent treatment systems:** 12 priority wet process supplier facilities installed reverse osmosis systems for effluent treatment, which also helped increase recycled water content.
- **Enhanced water management practices:** Examples include increased detection and remediation of leakages and expanded capacity for wastewater treatment.

In 2024 and 2025, we worked with WWF, an international conservation organization, to assess water and biodiversity risks in regions where our Tier 1 and Tier 2 supplier facilities are located. The assessment used the WWF's Water Risk Filter and Biodiversity Risk Filter, along with local data sets, to help identify risks (e.g., water usage or quality) in key manufacturing regions. We plan to use the findings, alongside our sourcing strategy and existing resources, to inform a water-focused approach and programs.

MICROFIBERS

"Microfibers" refer to fiber fragments broken from a textile structure during production, use, or end-of-use, as well as through their subsequent breakage in the natural environment.[80]

In conjunction with the industry, we are working to better understand the main drivers of microfiber release. We continue to engage with industry associations, including The Microfibre Consortium (TMC) and ZDHC Foundation,[81] to advance our understanding of the root causes of microfiber release and potential measures to mitigate release to the environment, helping us stay aligned with evolving science and best practices.

[79] Water data is reported on a calendar-year basis. A large portion of our water data is provided by suppliers through a third-party system based on the calendar year. Therefore, water data does not currently align with lululemon fiscal year dates.
[80] According to The Microfibre Consortium, a non-profit organization that aims to reduce microfiber loss and release to the environment.
[81] 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.

Examples of our work include:

- Since 2019, we have been a TMC signatory, collaborating to develop practical solutions for microfiber release. In 2024, we tested lululemon fabrics; in 2025, we shared results through The Microfibre Data Portal, which brings together testing results of all signatories to advance microfiber research. We also contribute to TMC publications and plan to continue working with TMC to help advance a collective approach to better understand challenges around microfibers.
- For the past two years we have partnered with TMC, ZDHC, and other brands on a joint task team to establish shared requirements for measuring and reducing fiber fragmentation in wastewater. As a member of the task team, we worked with these brands to help integrate microfiber mitigation into the 2024 update of the ZDHC Wastewater Guidelines. These guidelines and future guidelines can be found on ZDHC's Wastewater and Sludge Guidelines web page.

CHEMICALS MANAGEMENT

Suppliers that use chemicals in production must comply with the lululemon Restricted Substances List (RSL), which is based on worldwide regulatory standards, and the Apparel and Footwear International RSL Management (AFIRM) Group RSL.

The lululemon RSL is regularly monitored and updated to incorporate changes in evolving manufacturing chemistry, government regulations, industry best practices, and scientific knowledge. We phased out the use of PFAS in fiscal year 2023,[82] which had been used in durable water repellent products (a small percentage of our overall assortment). We continue to prioritize efforts to help prevent the unintentional reintroduction of PFAS into our products through ongoing testing, monitoring, and collaboration with suppliers and third parties.

We also ask our suppliers to implement the ZDHC Manufacturing Restricted Substance List (MRSL).[83] In 2021, we met a goal to implement the ZDHC MRSL at priority suppliers by 2022. Since then, we've continued to maintain this goal and to support implementation across our broader supply chain.

We map Tier 1, Tier 2, and subcontractor suppliers that use chemicals in production, and track their progress on meeting our chemical management requirements. We request that our suppliers:

- Source chemicals that adhere to the ZDHC MRSL.
- Establish a chemical inventory and share the percentage of chemicals that meet the ZDHC MRSL through ZDHC Performance InCheck reports.
- Twice each year, perform wastewater and sludge testing according to ZDHC Wastewater Guidelines, and share test results with lululemon through ZDHC ClearStream reports.[84]

As a ZDHC Signatory Brand, we earned ZDHC's Accelerator Level certification in 2025 for our work in 2024. According to ZDHC, Accelerator brands are committed to ZDHC guidelines and their implementation in supply chains, and are working toward sustainable chemical management goals.

We continue to work with our suppliers to improve their ZDHC MRSL and wastewater conformance. In 2024, we offered suppliers training (provided by ZDHC) on the ZDHC Chemical Management System Technical Industry Guide, to support the advancement of chemical management systems in their facilities.

WHAT'S NEXT

After careful evaluation, we have determined that we will not meet our freshwater use intensity target (see Goals for more information). As a result, we will no longer report on this metric moving forward and will focus our efforts on areas where we can have more influence on a facility-level basis.

We will continue working with our suppliers on water efficiency initiatives informed by our work and by internationally recognized tools and guidance (e.g., WWF Water Risk Filter). This approach prioritizes suppliers where we have the most influence, including those with higher production volumes, proximity to high-risk water basins, and alignment with our sourcing strategy.

We are also in the process of updating our approach to nature, which will build on the work we are already doing in the areas of water and chemistry as well as regenerative agriculture and climate.

We continue to focus on supplier implementation and conformance with the ZDHC MRSL and ZDHC Wastewater Guidelines.

FIND OUT MORE

2024 Impact Data & Indices Supplement

Nature

Fabric washing process at supplier facility, Vietnam

[82] "PFAS" refer to Per and Polyfluoroalkyl Substances, a type of synthetic chemical that may be used in durable water, oil, and stain repellent finishes.
[83] The ZDHC MRSL 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.
[84] ZDHC ClearStream is a report of a supplier's wastewater performance, as tested against the ZDHC Wastewater Guidelines.

Packaging and Waste

Our Approach

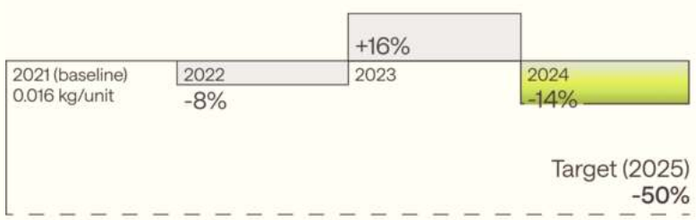
Packaging serves many purposes, including supporting damage-free product delivery and communication of product features. We seek to optimize and use preferred packaging materials where operationally feasible.

Goal

Goal: Reduce single-use plastic packaging per unit. (Retired; see subsequent narrative)

- 50% intensity reduction of single-use plastic packaging by 2025[85] from a 2021 baseline

% intensity reduction of single-use plastic packaging



In 2024, we continued working to evaluate packaging reduction opportunities and had a 14 percent intensity reduction of single-use plastic packaging from a 2021 baseline. Data is self-reported by suppliers and excludes our shoppers (bags provided at check-out). Our packaging intensity may vary year-over-year due to timing for ordering single-use plastic e-commerce mailers.

While we have made progress in our shift to paper mailers in EMEA,[86] we have not transitioned to paper mailers in North American markets (as referenced in our 2023 Impact Report). We will not meet our 2025 target and will be removing this goal from future reporting. We are currently reviewing our enterprise-wide packaging, evolving our strategy, and continuing to integrate preferred packaging materials.

What We're Doing

We aim to work with suppliers that can provide preferred packaging materials, including those that contain recycled content or are verified through organizations such as Forest Stewardship Council™ (FSC®), Sustainable Forestry Initiative (SFI), Global Recycled Standard (GRS), or Programme for the Endorsement of Forest Certification (PEFC).

We use an internal classification system to monitor and manage sourcing of our product and non-product packaging. Suppliers annually provide data on packaging materials purchased throughout the year. This data includes material type, place of origin, certifications, and recycled content. We use this information to inform global packaging volumes, provide data for regulatory reporting, and determine risks and opportunities.

We are members of the Sustainable Packaging Coalition (SPC), a GreenBlue initiative focused on convening stakeholders to make improvements to packaging sustainability.

WHAT'S NEXT

We remain focused on preferred packaging options, including integrating preferred packaging materials where operationally feasible. We will continue to focus on packaging optimization—particularly transport packaging—to identify opportunities to reduce material use and improve efficiency.

FIND OUT MORE

Circular Innovation

[85] Total packaging procured includes both our product packaging and non-product packaging (e.g., e-commerce, transport).
[86] EMEA - Europe and the Middle East

Impact Agenda 2030

Impact Agenda 2030

In 2025, we launched Impact Agenda 2030—a renewed vision, strategy, and set of goals to guide our impact work through 2030.

Since the creation of our original Impact Agenda, we have gained deeper insights into what drives lasting impact, how we can apply our learnings, and where we must overcome the biggest barriers to progress.

Impact Agenda 2030 is composed of two pillars—People and Planet—united by a single, overarching vision: *We move together to drive resilience and innovation for people and the planet.* With this vision, we aim to support business resilience and adaptability, while maintaining our focus on accountability and collaboration.

Our new Impact Agenda 2030 includes six impact areas that reflect our strategic focus on topics that matter to our company and our industry. Our strategy includes nine new, existing, and updated goals with 2030 target dates. These goals were developed to drive progress and maintain momentum across our impact areas. Impact Agenda 2030 is supported by multi-year roadmaps that provide a clear, adaptable pathway.

This work considers input from industry associations, employees, NGOs, and academic communities, among others. It is also informed by our recent materiality assessment refresh, which included research, stakeholder engagement, and topic refinement and prioritization. Through this process, we further defined how topics relate to lululemon's business model, activities, and value chain. See more in our GRI Table.

Our Impact Agenda is embedded into our company strategy and operations. Making progress on our impact work requires dedicated leadership and clear, cross-functional accountability. Impact Agenda 2030 is underpinned by strong governance, beginning with approval of goals and roadmaps from the CEO and Board of Directors. See more on the Impact Governance page of our website.

In our 2025 Impact Report (to be published in 2026), we plan to report on baselines for our new 2030 goals, where applicable.

Impact Agenda 2030

VISION: We move together to drive resilience and innovation for people and the planet.

PEOPLE		
Employee Wellbeing	**Supply Chain Wellbeing**	**Community Wellbeing**
Impact Area Descriptions		
Elevating employee wellbeing through a culture of high performance and high care	Supporting supply chain worker rights, and wellbeing for their communities	Fostering mental health and wellbeing through movement and mindfulness
2030 Goals		
Maintain global gender pay equity and full pay equity in the United States.[87] Achieve top quartile performance in employee inclusion and wellbeing.[92]	Provide 200,000 participants with programs across supplier communities, to advance gender equity, financial resilience, and worker engagement.[88]	Provide 20 million participants with experiences to advance wellbeing, including mental health, movement, and mindfulness.[89]

PLANET		
Climate Action	**Circular Innovation**	**Nature**
Impact Area Descriptions		
Minimizing emissions from product creation, transportation, and our operations	Developing circular product solutions for our business and guests	Deepening our focus on nature, including land and water
2030 Goals		
Maintain 60% absolute reduction in GHG emissions in our own operations (Scope 1 and 2) from a 2018 baseline.[90] Achieve 60% intensity reduction in GHG emissions in purchased goods and services, and upstream transportation and distribution (Scope 3) from a 2018 baseline.[93]	Make 90% of products that contain at least 25% preferred materials by weight.[91] Offer guests in 90% of global markets opportunities to extend product use, including repair or resale.[94]	We continue to develop our approach and work in this area.

[87] "Pay equity" refers to equal pay for equal work. Full pay equity includes gender and race. We have achieved gender pay equity globally and full pay equity in the United States and have continued to maintain it based on our periodic analysis. Our analyses are point-in-time and may vary as workforce composition and roles evolve.
[88] This goal will be measured based on the number of participants who receive services from grantees of lululemon Gives (formerly the lululemon Centre for Social Impact) or those who actively participate in grantees' programming. Participant numbers will be self-reported by grant recipients. Participants may be counted more than once if they take part in multiple initiatives over the years. "Participants" refers to workers in our suppliers' facilities, the communities where they live, and broader communities connected to the apparel industry. Programs will be funded by lululemon Gives and may include strategic partnerships such as industry program pilots and research funding as well as vendor grants and participation in industry initiatives.
[89] This goal will be measured based on the number of participants who receive services from partners of lululemon Gives or those who actively participate in partners' programming. Participant numbers will be self-reported by partners. Participants may be counted more than once if they take part in multiple initiatives over the years. Experiences may refer to programs, services, or resources from lululemon or third parties focused on wellbeing.
[90] The Science Based Targets initiative (SBTi) has validated our near-term science-based Scope 1 and 2 emissions reduction target. "Own operations" refers to facilities where lululemon has direct operational control, including company-operated stores, distribution centres, and offices. We initially achieved this goal in 2021 and have maintained it since. This goal is measured on a calendar-year basis.
[91] This excludes trims, which are estimated to be a small portion of our overall portfolio. "By weight" refers to the weight of materials in our products.
[92] This goal will be measured using employee survey results. Top quartile performance will be measured via the results of a third-party retail industry benchmark.
[93] The SBTi has validated our near-term science-based Scope 3 emissions intensity reduction target. This goal is measured on a calendar-year basis.
[94] This does not include outlets, pop-ups, airport stores, franchise markets, or markets with fewer than five stores, unless otherwise noted. As of 2024, resale is offered only in the United States.

Appendix

33 Glossary

34 Forward-looking Statements

35 The Artist

35 Contact

Glossary

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

Circular Design: Where applicable, we consider the Ellen MacArthur Foundation circular design definition, which refers to three principles: 1) eliminate waste and pollution upstream through design, 2) circulate materials and products by designing them to be kept in use, and at their highest value, for as long as possible, and 3) regenerate nature by designing to improve local biodiversity, air, and water quality.

Circular Product Solutions: Solutions such as procuring preferred materials for products, fostering circular design principles, or offering solutions to extend product use.

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

Energy Attribute Certificates (EACs): According to GHG Protocol Scope 2 Guidance, an EAC is a category of contractual instrument (a type of contract between two parties for the sale and purchase of energy). EACs represent certain information (or attributes) about the energy generated, but do not represent the energy itself. This includes instruments that may go by several names, including certificates, tags, credits, or other terms. For example, this may include renewable energy certificates (RECs) or electricity contracts (Power Purchase Agreements). Under the GHG Protocol Scope 2 Guidance, contractual instruments such as EACs (including those procured via a virtual power purchase agreement (see definition to the right) are acceptable methods for reducing market-based Scope 2 GHG emissions. lululemon retires procured EACs on an annual basis.

Extended Product Use: Initiatives related to reuse, trade-in, and repair.

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 water data, the total liters of freshwater used and total raw material production at each supplier facility include manufacturing for all customers who use the supplier facilities, not just lululemon.

Guests: Customers of our brand.

Higg Index: The Higg Index is a value chain environmental and social impact measurement methodology and suite of tools developed and owned by Cascale and hosted exclusively on Worldly. The suite includes the Higg Facility Environmental Module (Higg FEM), a tool used to assess the environmental impacts of product manufacturing at facilities, and the Higg Materials Sustainability Index (Higg MSI), a tool to measure and assess the environmental impacts of materials, among others.

Intensity Reduction in GHG Emissions and Emissions Intensity: Reduction in the amount of GHG emissions per unit of activity, output, or any other organization-specific metric over a specific period. We measure emissions intensity as tCO_2e per $ million of gross profit.

Intensity Reduction of Single-use Plastic Packaging: Reduction in the amount (weight) of plastic packaging used per unit of product procured over a specific period.

Nylon 6 and Nylon 6,6: These synthetic polyamide fibers make up a large portion of our materials and are essential in providing lululemon products with their characteristically unique performance, feel, and quality. Nylon 6 (made from a single monomer with six carbon atoms) is ideal for softer, more flexible fabrics, while nylon 6,6 (made from two monomers, each with six carbon atoms) is slightly more rigid, offering good stretch recovery and higher abrasion resistance.

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

People Networks (PNs): PNs are employee-led communities, open to all employees, and meant to offer space to build connection and support personal and professional development.

Plant-based Materials: Materials that originate, wholly or partially, from renewable sources, including agricultural waste and plants.

Preferred Materials: We consider materials to be preferred when their production processes have the potential to minimize impacts on areas like climate, nature, or communities, compared to the conventional equivalents, and/or when they align with independent third-party certifications, schemes, or standards. Where applicable, we use the Textile Exchange 2023 definition of preferred materials to guide the continued development of our framework for evaluating materials. We regularly assess the attributes for preferred materials and evolve our definition as needed. Preferred materials may include:

- **Preferred Polyester:** Recycled polyester (Global Recycled Standard, Recycled Claim Standard)
- **Preferred Nylon:** Recycled nylon (Global Recycled Standard, Recycled Claim Standard) or renewable nylon
- **Preferred Cotton:** Organic cotton (Organic Content Standard, Global Organic Textile Standard) or cotton through the U.S. Cotton Trust Protocol or other recognized cotton sourcing programs
- **Preferred Forest-based Materials:** Sourced from suppliers with the highest rating (a "dark green shirt" rating) in Canopy's Hot Button Report or from suppliers certified by the Forest Stewardship Council™ (FSC®)
- **Preferred Animal-derived Materials:** Sourced from suppliers certified by the Responsible Down Standard, The Good Cashmere Standard® by the Aid by Trade Foundation, Responsible Wool Standard, or the Responsible Alpaca Standard

Preferred Packaging Materials: Materials that contain recycled content or include verified sources such as Forest Stewardship Council™ (FSC®), Sustainable Forestry Initiative (SFI), Global Recycled Standard (GRS), or Programme for the Endorsement of Forest Certification (PEFC).

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

Priority Wet Process Suppliers: A subset of suppliers that produced approximately 80 percent of our 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.

Recyclability: We align with the Ellen MacArthur Foundation's definition of recyclabillity as the ease with which a product or material can be recycled in practice and at scale.

Reforestation of Degraded Land: We align with Conservation International's approach to restoration through repairing ecosystems that sequester carbon and support wildlife as well as human wellbeing.

Regenerative Agriculture: While this term lacks a universally accepted standard, we align with Conservation International's definition: "Regeneration is about restoring and revitalizing nature hand in hand with local communities—especially through the way we steward and manage land. It starts with collaboration: listening to and co-creating the vision of local communities, assessing the environmental, social, and economic context of the land and making decisions together."

Renewable Energy and Renewable Electricity: "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 generated from renewable energy sources, both at the facility level (e.g., on-site rooftop solar arrays) and at the utility scale (e.g., large-scale solar or wind farms).

Renewable Nylon or Stretch: In this context, refers to materials made wholly or partially from renewable sources, defined by Textile Exchange as: "Having the ability to renew on a frequent basis. In respect of raw materials, this relates to plants that have a natural ability to be renewed frequently within a set period of time."

Science Based Targets initiative (SBTi): A corporate climate action organization that develops standards, tools, and guidance which allow companies to set GHG emissions reduction targets in line with what is needed to keep global heating below catastrophic levels and reach net zero by 2050 at the latest.

Scope 1 Emissions: Direct emissions from our own operations.

Scope 2 Emissions: Indirect emissions from the generation of energy purchased for use in our own operations. Our climate data in the 2024 Impact Data & Indices Supplement contains both market-based and location-based emissions. Our goal uses market-based emissions. In alignment with the GHG Protocol Scope 2 Guidance, Scope 2 emissions can be reported based on either of the two allocation methods. Location-based emissions reflect the average emissions intensity of grids where energy consumption occurs, while market-based emissions are associated with electricity and contractual instruments that companies have purposefully chosen.

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

Subcontractors: Facilities completing a process that supports production of a product or material. Subcontractors hold contracts with lululemon suppliers and are not directly engaged by lululemon.

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

Tier 2: Supplier facilities that produce and finish materials for Tier 1 suppliers.

Tier 3: Supplier facilities that process raw materials into intermediate materials (e.g., yarn spinning).

Tier 4: Supplier facilities, farms, and forests that provide raw materials (e.g., farming of cotton).

Trims: Minor components added to a product for functional or decorative reasons (e.g., buttons, zippers, snaps).

Value Chain: The range of activities carried out by an organization, and by entities upstream and downstream, to bring products from conception to end use, as defined by the Global Reporting Initiative (GRI).

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, displacing fossil fuels. lululemon's VPPA is with a wind farm in Texas. EACs are produced alongside the clean energy and lululemon retires the EACs on an annual basis.

Wellbeing: In the context of this report, we define wellbeing as a lifetime practice of three interconnected elements—physical, social, and mental wellbeing. "Employee wellbeing" refers to people feeling respected and valued, with the tools and resources to help them grow, thrive, and express their full potential. "Community wellbeing" refers to store and supplier communities benefiting from wellbeing resources. "Supplier wellbeing" refers to workers who are supported in areas such as women's health and leadership skills.

Workers: The people employed by suppliers that are involved in the manufacturing of products and materials for lululemon.

Forward-looking Statements

This Impact Report includes “forward-looking statements” within the meaning of applicable securities laws. These statements are based on current expectations, estimates, assumptions, and projections, and are not guarantees of future performance. Forward-looking statements are often identified by words such as “may,” “will,” “should,” “expects,” “plans,” "aims," “anticipates,” “believes,” “intends,” “estimates,” "targets," "commits," "seeks," and other similar expressions. These forward-looking statements also include our guidance and outlook statements, as well as our goals, targets, and commitments. Our goals, targets, and commitments are aspirational and reflect current intentions.

Forward-looking statements are not guarantees of future performance, and actual results and the timing of events could differ materially from those anticipated due to risks and uncertainties, which include, without limitation: our ability to maintain the value and reputation of our brand; changes in consumer preferences and shifts in distribution channels; product acceptance; competition and pricing dynamics; demand forecasting; expansion and new-market risks; supply chain and sourcing disruptions; supplier compliance; logistics and distribution performance; labor and input cost inflation; information security and privacy risks; technology and e-commerce execution; climate change and related regulatory responses; increased scrutiny from investors and regulators regarding environmental, social, and governance or sustainability matters; macroeconomic and geopolitical conditions and global and regional health events; trade policy, tariffs, customs duties and assessments, import or export restrictions, changes to de minimis import regimes or their enforcement, and tax and other regulatory changes; foreign currency exchange fluctuations; intellectual property protection; and litigation risk; as well as risks specific to the goals, targets, and commitments in this report, including the availability, quality, and reliability of internal and third-party data and certifications; changes in greenhouse gas accounting and reporting methodologies; our ability to implement plans at the scale, timing, and effect contemplated; the possibility that underlying assumptions are not realized; evolving stakeholder expectations; actions by guests, suppliers, workers, subcontractors, partners, and other third parties; the need for broader industry participation to achieve certain outcomes; and differences among, or changes in, laws and regulations across jurisdictions.

Forward-looking statements in this report speak only as of the date this report is first published. We intend to provide periodic updates on our progress and will make updates to forward-looking statements where required by law. For additional information about risk factors, please refer to our most recent reports filed with the U.S. Securities and Exchange Commission, including our Form 10-Q and Form 10-K.

The Artist

SOPHIE DOUALA

The artwork in this report was designed by Sophie Douala. She is a creative director and visual artist who specializes in storytelling and creative campaigns. Her practice explores the interplay between formal visual language and its cognitive and emotional effects. Through the lenses of culture, identity, evolution, and emotion, her work draws from her generation's hopes and struggles, with a particular focus on the therapeutic and healing potential of the dream space. She collaborates with institutions, brands, festivals, and collectives on campaigns, installations, and visual narratives. Her practice blends personal research with commissioned work, making her approach both hybrid and constantly evolving.

Contact

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