

Impact Highlights 2021





A note from our CEO

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

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

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

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

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

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

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

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

Sincerely,

CALVIN MCDONALD
Chief Executive Officer

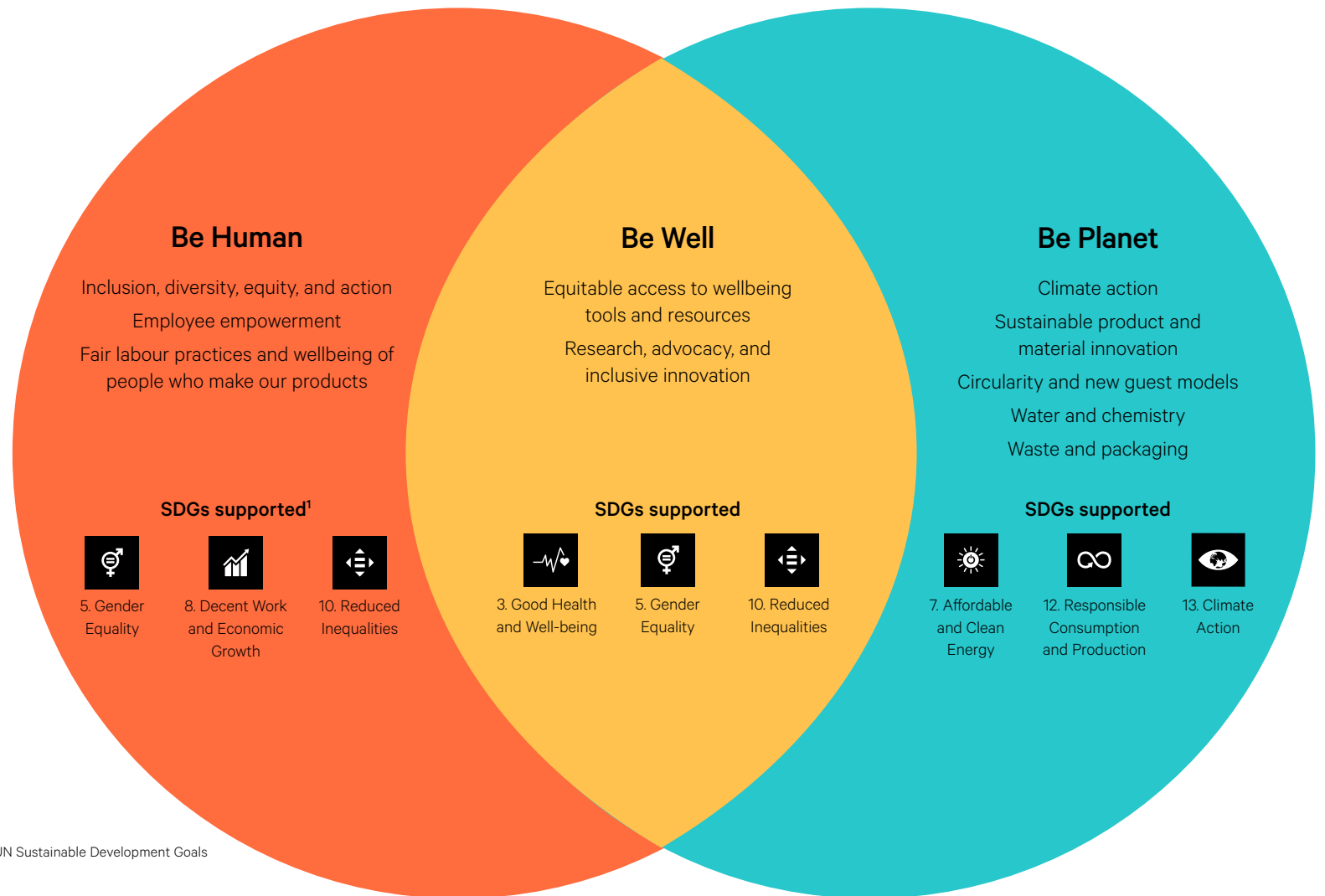


Our Impact Agenda

We are a business rooted in purpose: we elevate human potential by helping people feel their best.

Our Impact Agenda presents our vision to create transformative products and experiences that build meaningful connections, unlocking greater possibility and wellbeing for all. It guides—and is integrated into—our business strategy and operations, helping to accelerate inclusive and sustainable progress and advance a shared culture of positive impact throughout lululemon. By recognizing that the wellbeing of people, communities, and the planet are all connected, we are able to have a greater, more holistic impact.

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



¹ Numbers tied to UN Sustainable Development Goals

2021 highlights



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

Here is some of the progress we have made over the past year. We achieved several impact goals, demonstrating our commitment to action.



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



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



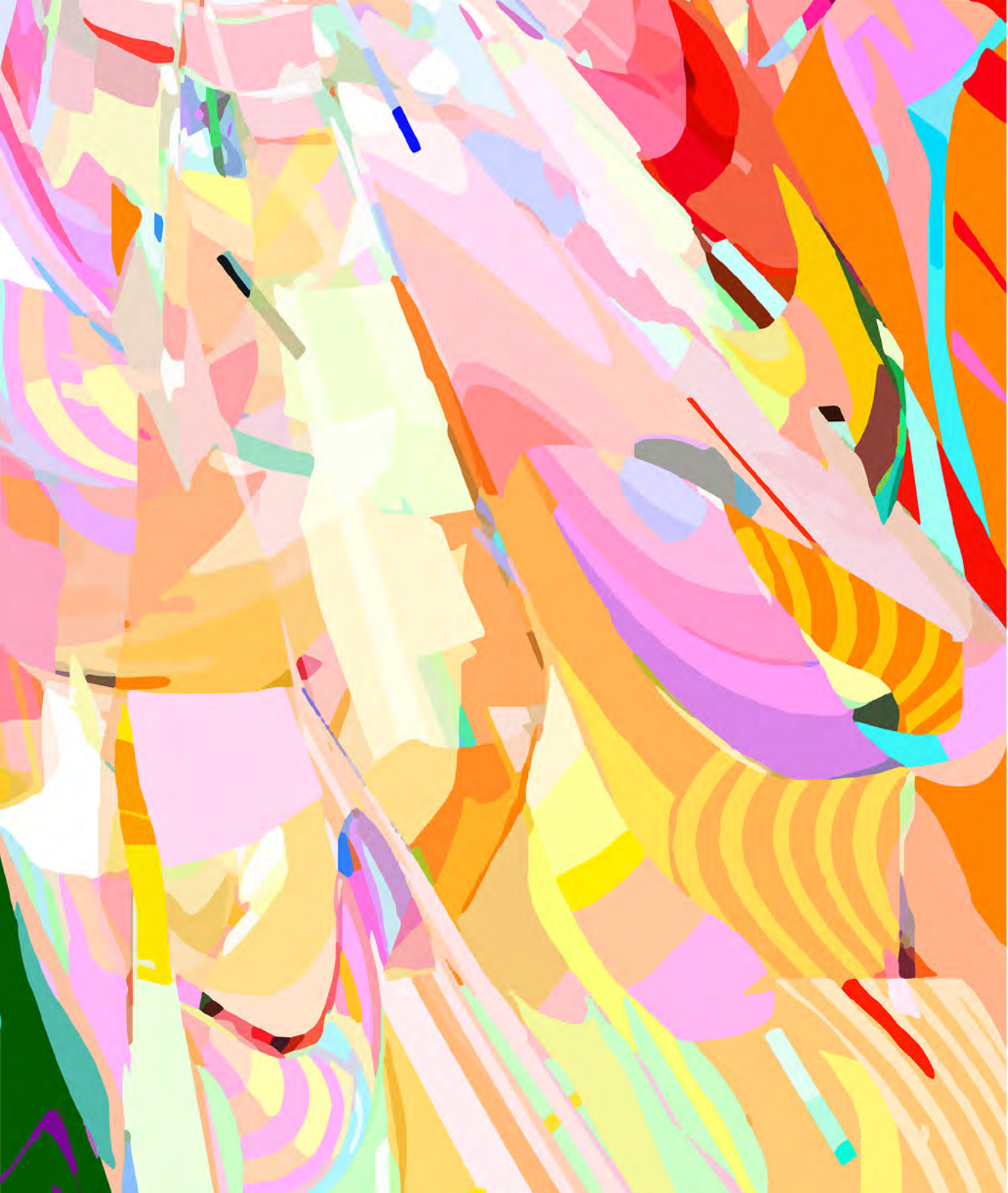
We met our Scope 1 and 2 science-based target to achieve a 60% absolute reduction of greenhouse gas (GHG) emissions in all owned and operated facilities.



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



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



Be Human

“Cultures are never static and need to be both tended to and evolved. People choose to work at places where they can contribute their strengths, where they are in service of an inspiring purpose and vision, and where they are working alongside people who bring out their best and are committed to one another. Together, we are building an ecosystem of inclusion that has resulted in increased representation and a healthier culture.”

SUSAN GELINAS

Senior Vice President, People and Culture



We envision an equitable world. We actively create an inclusive work environment that reflects the global communities we serve. We support the safety and wellbeing of the people who make our products (our makers), collaborating with partners and stakeholders to advance positive impact.

WE ARE DESIGNING FOR A BETTER WORLD

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

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

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

➤ Read more about this and similar stories in the [2021 Impact Report \[link\]](#).



Be Well

“We launched the lululemon Centre for Social Impact last year to leverage our expertise, resources, and communities to invest in, and advocate for, the wellbeing of those who experience disproportionate levels of stress and trauma because of systemic inequity. It’s guided by our goal of positively impacting 10 million people by 2025. Our goal is ambitious, and our pace toward it is accelerating every day.”

ESTHER SPECK

Vice President, Sustainable Business and Impact



We believe that everyone has the right to be well. We recognize the importance and complexity of wellbeing, its impact on communities around the world, and its link to planetary health. As a global company rooted in yoga and committed to whole-person development, we have a unique opportunity to advance physical, mental, and social wellbeing for all.

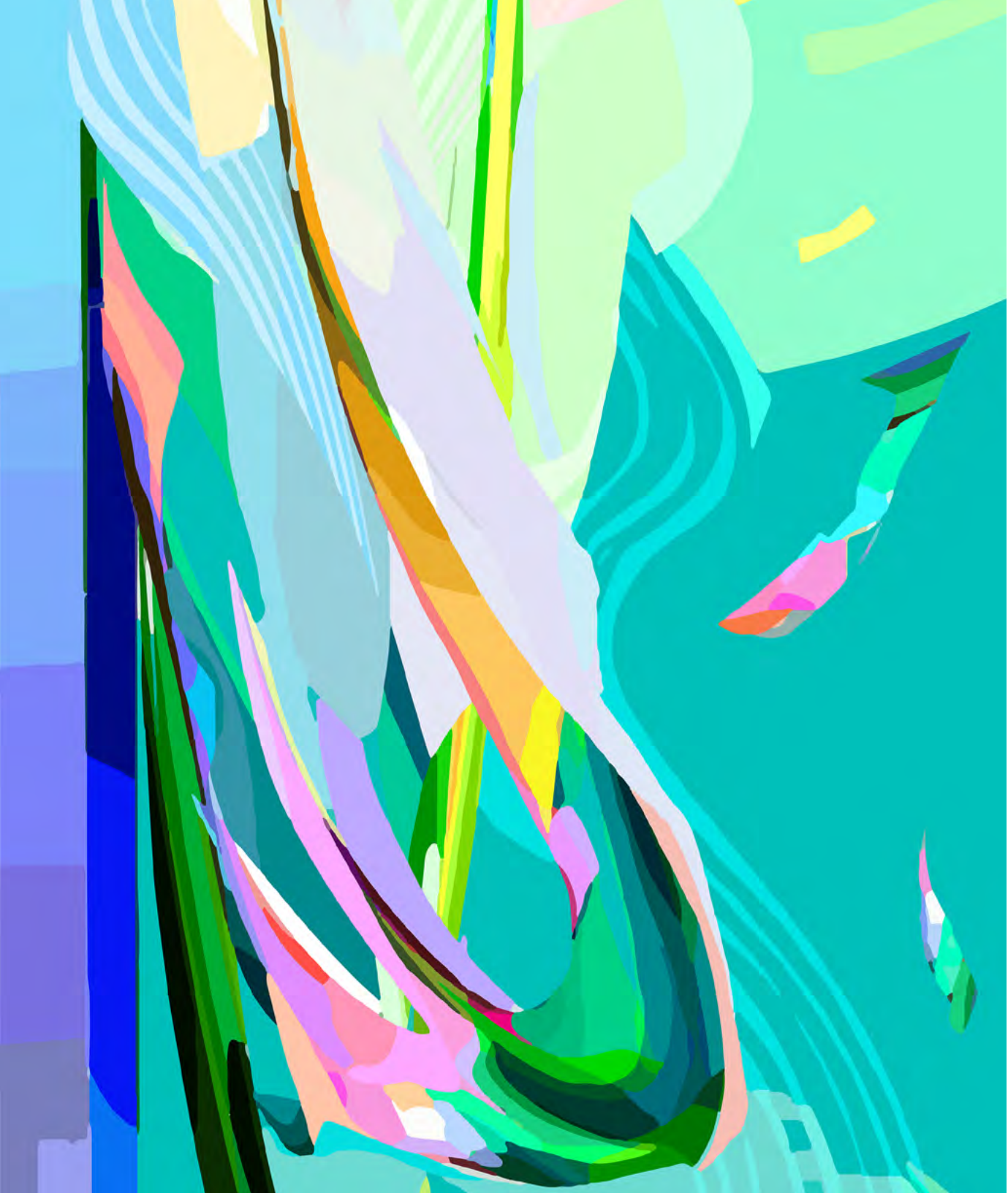
WELLBEING IS FOR EVERYONE

We believe everyone has the right to be well and recognize the opportunities we must address to bring this belief to life. Last year, lululemon launched the Centre for Social Impact with the mission to disrupt inequity in wellbeing through movement, mindfulness, and advocacy. We leverage our expertise, resources, and global community networks to advance wellbeing for those most impacted by systemic inequity. At launch, the Centre invested US \$5 million with new and long-term local grassroots partners through global and national non-profits, as well as lululemon’s Here to Be grant program, which supports organizations around the globe that create inclusive access to movement and mindfulness, and/or advocate for civil and human rights.

For World Mental Health Day 2021, we highlighted the work of three collaborators with the Centre through an awareness campaign: Girls Opportunity Alliance [\[Link\]](#), which aims to empower girls through education, the National Alliance on Mental Illness (NAMI) [\[Link\]](#), which promotes better mental health and has established a 9-8-8 crisis number with lululemon, and The Trevor Project [\[Link\]](#), which works to end suicide among LGBTQ youth.

This campaign created wide-reaching positive impact by amplifying calls to action and building awareness of much-needed wellbeing tools, resources, and support alongside our co-creators.

➤ Read more about this and see similar stories in the [2021 Impact Report](#) [\[link\]](#).



Be Planet

“We are committed to making products that are better in every way, building a healthier future for ourselves, our communities, and our planet. We are taking a leadership role in the creation of sustainable products through raw materials innovation. Our partnership with Genomatica is one example of that, where we are making the first plant-based alternative to nylon. The speed and magnitude of change we have created is highly innovative and potentially disruptive.”

SUN CHOE
Chief Product Officer



Our lives are interconnected with the health of the planet. We've set science-based targets that are the foundation for our climate action goals. We seek to lead in innovating sustainable materials and working toward a circular ecosystem to reflect the values of our guests and contribute to a healthier world.

RAISING THE BAR ON PRODUCTS

While we are proud of the work we've done with sustainable materials, we must continue to elevate our practices to build the sustainable future we envision. Our approach to product materials needs to be reimaged and redone. We committed to meeting our ambitious sustainable product targets and are making strides. In 2019, we set a goal of achieving 75 percent sustainable materials for all our products by 2025. In 2021, our men's apparel line hit that goal early—an incredible feat.

Sustainable materials innovation is a galvanizing focus across our design teams. In 2021, we developed a 100 percent recycled polyester fabric and used it for the pockets of our men's apparel, making a significant sustainability impact. We created Warpstreme, the fabric for our bestselling ABC and Commission pants and shorts, with recycled polyester. Recycled polyester was also incorporated into one of our most beloved products—the Metal Vent Tech 2.0 shirts—setting the groundwork for scaling with our Swiftly women's products. The Always In Motion boxers underwent a complete redesign, using responsibly regenerated cellulosic fabric that does not sacrifice performance.

We will continue to grow our men's apparel business and play our part to reset sustainability as the industry standard.

➤ [Read more about this and similar stories in the 2021 Impact Report \[link\].](#)

16 goals for a healthier future

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

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

PERFORMANCE DASHBOARD

Be Human	Topic	Goal	Metric	Baseline Year	Baseline	2021 Results ²	Goal	Goal Year	Status
	Inclusion, Diversity, Equity, & Action	Reflect the diversity of communities we serve and operate in	% of racial diversity of assistant store managers and directors ³	2020	21%	23%	30%	2025	▶▶
% of racial diversity of all employees in global stores ³			2020	31%	37%	40%	2025	▶▶	
Employee Empowerment	Be the place where people come to develop and grow as inclusive leaders for the world	# of hours of paid training and volunteer time for all full-time employees ⁴	2021	13.5	13.5	40	2023	▶	
		Expand full pay equity	% of employees with full pay equity	2020	100% ⁵	100%	100%	2022	●
People Who Make Our Products	Make wellbeing programs available to makers ⁶	# of cumulative makers who participate in wellbeing programs	2021	20,000	20,000	100,000	2025	▶	
		Achieve Fair Labor Association (FLA) accreditation	Qualitative	2020	Updated Vendor Code of Ethics	Completed onboarding stage	Achieve FLA accreditation	2024	▶▶
Be Well	Topic	Goal	Metric	Baseline Year	Baseline	2021 Results ²	Goal	Goal Year	Status
	Inclusive Access to Wellbeing & Advocacy	Provide access to wellbeing tools and resources	# of cumulative people reached	2021	1.4M	1.4M	10M	2025	▶▶
		Invest to advance equity in wellbeing through the lululemon Centre for Social Impact	Total amount invested	2021	\$13.7M ⁷	\$13.7M	\$75M	2025	▶▶
Launch the lululemon Centre for Social Impact	Qualitative	NA	NA	Centre launched	Launch Centre	2021	●		

² For more information on our 2021 results, please refer to the relevant sections of the Impact Report.

³ Includes stores in North America, Australia, New Zealand, Europe, and Middle East.

⁴ Beyond onboarding training and mandatory compliance training.

⁵ We maintain 100% gender pay equity within our entire global employee population, meaning equal pay for equal work across genders. We have achieved pay equity across all areas of diversity in the United States and are seeking, to the extent permitted under local law and regulation, to collect the data necessary to confirm complete pay equity globally.

⁶ In 2021, we updated the language of this goal from “maker empowerment programs” to “maker wellbeing programs” as we further refined our strategy. Our goal to reach 100,000 makers is included within our goal to provide tools and resources to 10 million people.

⁷ lululemon made a US \$13.7 million contribution to the Centre for Social Impact, \$11.9 million of which has been contributed directly to social impact organizations. The remaining \$1.9 million includes \$1 million toward a Donor-Advised Fund to be advised for future grantmaking as well as operational costs.

16 goals for a healthier future

PERFORMANCE DASHBOARD

Be Planet

Topic	Goal	Metric	Baseline Year	Baseline	2021 Results ²	Goal	Goal Year	Status
Climate Action	Meet our 2030 science-based climate targets	% of absolute reduction in GHGs in all owned and operated facilities (Scope 1 and 2)	2018	18,248 tCO ₂ e	-82%	-60%	2030	●
		% of intensity reduction in GHGs in purchased goods and services, and upstream transportation and distribution (Scope 3)	2018	99.2 tCO ₂ e/net revenue from operations	+4%	-60%	2030	■
	Source renewable electricity to power our owned and operated facilities ⁸	% of renewable electricity	2018	<1%	100%	100%	2021	●
Sustainable Product & Material Innovation	Make our products with sustainable materials and end-of-use solutions	% of products made with sustainable materials	2020	27%	29%	100%	2030	▶▶
	Achieve sustainable materials for our products	% of total sustainable materials procured for our products	2020	30%	38%	75%	2025	▶▶
Circularity & New Guest Models	Offer our guests new business models that extend the life of products	% of stores in North America + piloting internationally	2021	22%	22%	100%	2025	▶
Water & Chemistry	Reduce freshwater use intensity with our priority wet process suppliers	% of reduction in freshwater use intensity	2021	126 l/kg	Baseline year	-20%	2025	▶
	Implement ZDHC MRSL at priority suppliers	% of compliance from priority suppliers with the ZDHC MRSL	2021	100%	100%	100%	2022	●
Packaging & Waste	Reduce single-use plastic packaging per unit	% of intensity reduction of single-use plastic packaging	2021	0.016kg/unit	Baseline year	-50%	2025	▶▶

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⁸ We procured 100% renewable electricity to power our owned and operated facilities, with 99% sourced in compliance with the RE100 technical criteria. However, due to unavailability of an Energy Attribute Certificate (EAC) program, lululemon was unable to source renewable electricity in South Korea. Consequently, renewable energy credits were procured from a nearby geography.



ILLUSTRATOR

Jacquie Comrie

Colour: The Art of Human Emotion

Jacquie Comrie is a Toronto-based multimedia artist, mother, and mental health advocate.

Her work stands at the intersection of art and wellness, centering colour psychology and its benefits to the human body, psyche, and overall wellbeing.

Through a range of artistic mediums, Jacquie merges colour and scale to create vibrant, large-scale, chromatic public art experiences with a mindfulness approach aiming to serve as a much-needed tool for social impact.

With mental health issues on the rise across the globe, Jacquie seeks to reimagine public art while holding space for colour therapy and healing that is accessible to everyone.

To learn more about Jacquie, visit www.jacquiecomrie.com or follow [@jacquiecomrie](https://www.instagram.com/jacquiecomrie) on Instagram.

A GUIDE TO MINDFUL BREATHING

For humans, and all living beings, breathing is the most life essential function of the body—yet we often forget how to properly breathe. When facing difficult emotions such as stress or anxiety, breathing mindfully can help us regulate those emotions, return heartbeat to its normal rhythm, and improve focus and overall wellbeing.

This work is an exploration of the psychology of colour, and its powerful effects on the human body and mind, bringing awareness to the importance of caring for one's mental health as much as our physical health. This is about holding space for much needed mindfulness and to remind us all to pause and BREATHE.

